



Daily Report

China

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Daily Report

China

FBIS-CHI-96-118

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18 June 1996

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General

PRC: Spokesman Terms Japan's Nuclear Resolutions 'Unreasonable'

*OW1806095596 Tokyo KYODO in English
0936 GMT 18 Jun 96*

[FBIS Transcribed Text] Beijing, June 18 KYODO — China on Tuesday (18 June) called recent antinuclear resolutions passed by the two chambers of the Japanese parliament unreasonable and unjustified, and called on Japan to understand the nuclear threats facing China.

"It is entirely unjustified for the Japanese Diet to adopt a so-called resolution on China's limited nuclear testing in total disregard of the reasonable proposals on nuclear issues and enormous efforts China has made for the advancement of nuclear disarmament," Foreign Ministry spokesman Shen Guofang said.

"Such resolutions are unacceptable to the Chinese side. Japan, as a country under a (U.S.) nuclear umbrella, should understand the position of China on carrying out necessary and limited nuclear tests under nuclear threat," he said at his biweekly briefing.

On Monday, Japan's House of Councillors passed a resolution condemning China's 44th nuclear test, carried out June 8 at its western Lop Nor testing site, and called on China to immediately stop testing.

The upper house resolution followed a similar resolution adopted by the House of Representatives last Friday, which also called on the Japanese Government to take unspecified actions against China.

Following its June 8 blast, China said it would conduct one more nuclear explosion and join by September a voluntary nuclear test moratorium already being respected by the four other nuclear powers — Britain, France, Russia and the United States.

"Concerning nuclear testing, we deem Japanese accusations and resolutions against China unreasonable," Shen said.

PRC: Jiang Zemin Meets With Newly Appointed Ambassadors

*OW1706120396 Beijing XINHUA in English
1133 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Chinese President Jiang Zemin has appointed six new ambassadors following a decision of the Standing Committee of the National People's Congress.

Xu Daijie was appointed the new ambassador to Comoros, replacing Zhao Baozhen.

Jiang Yuande was appointed the new ambassador to Cape Verde, replacing Chen Dehe.

Yin Songling was appointed the new ambassador to Turkmenistan to succeed Cheng Zhensheng.

Huang Shikang was appointed the new ambassador to Colombia, replacing Yu Chengren.

Zhao Lianyi was appointed the new ambassador to Marshall Islands, replacing Zhou Jinming.

Xu Yuehe was appointed the new ambassador to the Republic of Macedonia.

PRC: LIAOWANG Views U.S. Embargo, Sanctions on Cuba

*HK1806065596 Beijing LIAOWANG in Chinese
20 May 96 No 21, p 45*

[Article form "International Commentary" column by Li Changjiu (2621 7022 0036): "Cold-Shouldered Sanctions"]

[PTS Translated Text for FBIS] In recent years, the United States has used the weapon of economic sanctions on a more frequent basis. The U.S. sanctions can be divided into two categories, namely, sanctions against developed countries, most of which are economic in nature, and sanctions against developing countries, most of which are political in nature. The former are imposed to frighten certain countries and have never been effective, since most target countries are capable of tit-for-tat retaliation. The latter are imposed to destroy certain countries, have been more frequently imposed to no avail thus far, and have become more and more unpopular. The U.S. sanctions against Cuba belong to the latter.

Last November, United Nations General Assembly vetoed a U.S. proposal on intensifying the embargo and sanctions against Cuba by 117 votes to three. By the end of last year, the General Assembly had adopted a total of four resolutions urging the United States to lift the embargo and sanctions against Cuba. In February this year, two U.S. aircraft were shot down after entering Cuban territorial air space. The United States seized the opportunity to adopt the so-called Helms-Burton Bill not only banning U.S. companies from doing business with Cuba but also imposing sanctions against companies of other countries that buy Cuban products or make investments in Cuba. Analysts said that the U.S. law is one that has been most ethically and practically criticized and cold-shouldered by the international community. The French Foreign Ministry spokesman stressed: "The U.S. law has no extraterritoriality. The UN Security Council has not

decided on sanctions against Cuba, either." Canada and the Caribbean Community protested that since U.S. law has contravened the WTO's free trade principle, they will bring a lawsuit against the United States within the WTO. Britain, which has long maintained special relations with the United States, also expressed opposition to the U.S. law. Ian Taylor, British secretary of state for trade and industry, said that should the United States impose sanctions against British citizens, Britain would take retaliatory measures against the United States.

Given the increasing globalization of the world economy and mutual integration and reliance of economies of various countries, the key global melody at present is peace, cooperation, and development. Many countries have stated that the U.S. decision on intensifying the embargo and sanctions against Cuba not only violates international law, it also encroaches upon a sovereign country's right to develop economic and trade cooperation with other countries, and they have said that they will never accept U.S. power politics. At present, a large number of countries are still actively trying to establish, expand, and strengthen diplomatic, economic, and trade relations with Cuba. After being estranged for almost 40 years, Cuba and Haiti resumed diplomatic relations on 6 February of this year. Cuban Foreign Minister Robaina said: "We now have diplomatic relations with 156 countries."

Over the past two years, Cuba's foreign trade has rapidly developed and foreign investment in Cuba has increased by a large margin. Cuba has established trade relations with more than 100 countries and regions. Cuba's foreign trade volume reached \$3.6 billion in 1995, up 25 percent over 1994. By the end of May 1995, foreign investment in Cuba totalled \$2.1 billion. According to statistics of the Cuban Chamber of Commerce, there are now 630 foreign enterprises operating in Cuba. Apart from setting up 212 joint venture enterprises with 50 countries, Cuba has signed investment protection agreements with 15 countries, including Spain, Colombia, Italy, Britain, and China.

An open challenge to the aforementioned U.S. law on intensifying sanctions against Cuba lies in the fact that more and more U.S. entrepreneurs are looking for opportunities to increase investment in and expand trade with Cuba. "The Economist," a British magazine, published a commentary, saying: Last October, while the U.S. Government was formulating a law on intensifying sanctions against Cuba, U.S. entrepreneurs were "lining up" to meet with Fidel Castro, president of the Cuban Council of Ministers, who was attending activities celebrating the 50th anniversary of the UN's founding in New York. Last year, Cuba received 172

groups of visitors, including 54 groups of visitors from the United States. According to figures released by a Cuban official in charge of foreign investment, most of the visitors signed agreements of intent with Cuba, stating that once the United States lifts the economic embargo and sanctions against Cuba, they will conduct trade with and make investments in Cuba. Smith, senior research fellow at the U.S. International Policy Center, admitted: "No country is willing to cooperate with the United States in carrying out a trade embargo on Cuba at present. Unilateral trade embargoes have never been successful. Cuba is no exception."

However, U.S. congressmen have thus far learned no lesson from the cold-shouldered U.S. sanctions against Cuba. Since the United States decided to intensify economic sanctions against Cuba, the U.S. House of Representatives has begun deliberations on a bill comprehensively intensifying sanctions against Iran and Libya and restricting foreign companies involved in oil business with Iran and Libya from entering the U.S. market. Such "chain sanctions" imposed by the United States have not only been strongly opposed by target countries they have also aroused strong indignation on the part of the United States' allies and traditional trade partners. These countries have called on the United States to stop obstinately clinging to its course. French President Chirac stated: Should the U.S. Congress adopt the bill on comprehensively intensifying sanctions against Iran and Libya, "the European Union will have to take retaliatory measures."

Libya and Iran have long been listed as countries against which sanctions should be imposed by the United States. However, the U.S. sanctions against Libya and Iran have never been successful. It was learned that the United States has even failed to prevent certain U.S. companies from doing business with these two countries. The U.S. Congress is now trying to dish out a bill similar to the aforementioned Helms-Burton Bill. Faced with strong opposition, the new bill is not likely to succeed, either. However, we are still not sure whether the U.S. politicians will be able to become a bit more sober-minded and a bit more modest after suffering a series of failures in this regard.

United States & Canada

PRC: Sino-U.S. IPR Consultations Proceeding Toward Deadline

OW1706112496 Hong Kong WEN WEI PO
in Chinese 17 Jun 96 p A2

[By staff reporter Han Hua (7281 2901): "China and the United States Hold Consultations Late Into the Night to Remove Differences"]

[FBIS Translated Text] Beijing, 16 Jun — The formal Chinese-U.S. consultations [zheng shi cuo shang 2973 1709 4322 0794] on intellectual property rights continued in Beijing today. By the time this reporter filed this report, the talks [tan pan 6151 0445] had not produced any results. The third round of consultations was spread over the morning, afternoon, and late at night. In the last chance to meet the deadline for the announcement of sanctions, the Chinese-U.S. talks [tan pan 6151 0445] were obviously full of twists and turns and proceeding with difficulty.

The deadline for the U.S. announcement of trade sanctions against China is 17 June, which is 12:00 midday Beijing time (note: 17 June zero hours U.S. time), therefore the two sides still have more than a half day to continue consultations.

On leaving the China Hotel for the Chinese Ministry of Foreign Trade and Economic Cooperation at 10:30 A.M. today, U.S. Acting Trade Representative Charlene Barshefsky told reporters that much still remained to be done to make progress. "We will continue the talks [hui tan 2585 6151] today, and we need to make progress," she said.

But during a noon break, [Zachary], an information official accompanying Charlene Barshefsky, indicated that "there is not much time left and many issues still need to be resolved."

As we have learned, Charlene Barshefsky's appointment with Vice Premier Li Lanqing, part of a schedule arranged before her departure for China, was been postponed because no results were achieved during the consultations. Moreover, on returning to his hotel after the first round of consultations in the afternoon, assistant trade representative Lee Sands, who chaired the afternoon consultations, refused to comment on whether there had been any progress during the consultations, or to disclose any details of the talks [tan pan 6151 0445].

A source close to the Chinese representatives to the talks revealed that the Chinese side had raised a new proposal during the afternoon consultations. When reporters asked Lee Sands for confirmation, he refused to comment, saying only that the consultations would continue that night.

News from the U.S. Embassy in Beijing suggests that the consultations proceeded late into the night. In addition, the news conference for Chinese and foreign reporters previously arranged may possibly be postponed after the conclusion of the consultations tomorrow.

Some analysts have pointed out that despite complicated and confusing indications, they believe China and the United States will reach a compromise before the sanctions deadline.

PRC: IPR Talks End, Trade War Averted

OW1706120996 Beijing XINHUA in English
1210 GMT 17 Jun 96

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — U.S. and Chinese negotiators announced in Beijing today that they are to cancel trade sanctions and counter-retaliations targeted at each other.

At the end of talks in the Chinese capital, Charlene Barshefsky, acting US trade representative, announced that the U.S. will call off its intended trade retaliatory measures against China, and promised to drop China from the list under Special 301 screening.

Shi Guangsheng, China's vice minister of Foreign Trade and Economic Cooperation, announced that China will also call off counter-retaliations against the U.S. in response to the U.S. commitment.

These are the results of three-day talks from June 15-17 between the Chinese delegation, headed by Shi Guangsheng, and the U.S. delegation, headed by Barshefsky, in which the two sides reached agreement on IPR [intellectual property rights] and relevant issues.

The talks were described by observers here as "frank and constructive."

They said that the agreement once again shows that the only way to solve the differences between countries is consultations on an equal footing. Sanctions and retaliations will do no good to the settlement of any issues, instead, they will make the differences more complicated, the observers added.

They held that the settlement of the IPR issues will not only benefit the development of Sino-US trade and economic ties, but also are in line with the fundamental interests of the two nations. Therefore the result will be well received by the economic circles of the two countries and other concerned parties.

Shi said that the Chinese government has always been attentive to the protection of IPR and signed a series of international accords in this regard.

For example, he said, China and the U.S. signed two agreements concerning IPR protection in January 1991 and February 1995.

At the same time, he said, China adopted a series of concrete and effective measures to ensure IPR protection and made marked progress which attracted world attention.

All the facts indicated China's solemn stand of honoring international conventions and fulfilling the obligations set forth in multi-lateral agreements to which China is a signatory, he said.

Shi said that IPR protection is called for by China's reform and opening up, and more importantly by China's own economic development and progress of its science and technology.

China will, as always, protect the intellectual property rights, the vice-minister said.

PRC: Vice Premier Meets Barshefsky, Discusses IPR Agreement

*OW1706124696 Beijing XINHUA in English
1240 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Chinese Vice-Premier Li Lanqing told Charlene Barshefsky, acting US trade representative, in Beijing today that the agreement China and the United States reached today on intellectual property rights (IPR) is in line with the fundamental interests of the two countries.

Barshefsky is heading a US delegation discussing IPR issues with Chinese officials. Their consultations ended today with agreement being reached, and a trade war averted.

During a meeting this afternoon with Barshefsky in Zhongnanhai, headquarters of the Chinese government, Li said that it is China's consistent policy to protect intellectual property rights.

Since its reform and opening up to the outside world in 1979, China has enacted a series of laws and rules concerning this issue, and set up justice and administrative institutions to enforce them, Li said.

China's achievements in cracking down on piracy and infringement upon IPR are there for all to see, Li said.

Long-term efforts should be made in cracking down on piracy and IPR violations, Li said.

"This is not only the demand of strengthening international economic and trade cooperation and scientific and technological exchanges, but more importantly the demand of healthily advancing China's science, technology and culture," he emphasized.

On Sino-US economic and trade relations, Li said that China and the US are complimentary economically and there remains great potential in developing bilateral economic and trade ties and scientific and technological cooperation.

He said that the Chinese and US governments should surmount obstacles, increase consultation and constructive cooperation on the basis of equality and mutual benefit, in order to upgrade bilateral economic and trade relations.

Barshefsky said the agreement reached between the US and China indicated that the two countries can resolve their differences through consultation on the basis of equality and mutual benefit.

She said she believed the settlement of the IPR issue can be conducive to the development of bilateral economic and trade ties.

Present at today's meeting were Shi Guangsheng, vice minister of Foreign Trade and Economic Cooperation; Long Yongtu, assistant minister; and Lee Sands, assistant US trade representative.

PRC: Jiang Zemin Meeting With Acting US Trade Representative

*OW1706132896 Beijing XINHUA in English
1326 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Chinese President Jiang Zemin met here tonight with acting US trade representative Charlene Barshefsky who is here to negotiate a settlement of disputes on intellectual property rights (IPR) with Chinese officials.

The meeting, which came after the two sides reached an agreement on IPR issue to avert a multi-billion-dollar trade war between the two countries, is still going on by press time.

Barshefsky arrived here Friday night [14 June] to co-chair the talks with Shi Guangsheng, China's vice minister of Foreign Trade and Economic Cooperation.

Vice Premier Li Lanqing met with Barshefsky earlier this afternoon.

PRC: Vice Premier Li Lanqing Meets Charlene Barshefsky

OW1706135096 Beijing XINHUA Domestic Service in Chinese 1257 GMT 17 Jun 96

[By reporter Zhang Yijun (1728 4135 0193)]

[FBIS Translated Text] Beijing, 17 Jun (XINHUA) — At a meeting with U.S. Acting Trade Representative

Charlene Barshefsky at Zhongnanhai's Purple Light Pavilion this afternoon, Vice Premier Li Lanqing said the accord that China and the United States have finally reached on intellectual property right (IPR) protection is in the fundamental interests of the two peoples.

Li Lanqing said: IPR protection is China's consistent policy. The string of laws and regulations for IPR protection China has drawn up and the judicial and administrative law-enforcing organs China has established since the country embarked on reform and opening up have dealt harsh blows to IPR infringements and piracy, and the successes achieved can be seen by all.

He pointed out: Cracking down on IPR infringements and piracy is a protracted struggle that China will carry on as it did. Not only is this essential for the promotion of international economic cooperation and trade and scientific-technological exchange, more importantly, it is also a major, indispensable measure for bringing about a healthy scientific, technological, and cultural development in China.

Speaking on Sino-U.S. economic and trade relations, Li Lanqing said: The Chinese and U.S. economies are quite complementary, and the development of the two countries' economic and trade relations and their scientific and technological cooperation has great potential.

He added: On the basis of equality and reciprocity, the Chinese and U.S. governments should surmount obstacles and strengthen consultations (cuo shang 4322 0794) and constructive cooperation so as to promote the development of bilateral economic and trade relations.

Barshefsky said: The accord that the United States and China have reached on IPR shows that the two countries can resolve their differences on the basis of equal consultation and reciprocity. She said she believes the settlement of the IPR issue would be helpful in the development of the two countries' economic and trade relations.

Present at the meeting were Shi Guangsheng, vice minister of foreign economic cooperation and trade; Long Yongtu, assistant minister; and Lee Sands, U.S. assistant trade representative.

PRC: XINHUA Reports Content of Jiang Zemin, Barshefsky Meeting

OW1706155096 Beijing XINHUA in English
1547 GMT 17 Jun 96

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Chinese President Jiang Zemin said here today that the history of Sino-US relations has shown time and again that dialogue is better than confrontation, and mutually-beneficial cooperation better than sanctions.

He made the remarks in meeting tonight with Charlene Barshefsky, acting US trade representative, who has been here to negotiate a settlement of disputes on intellectual property rights with Chinese counterparts.

Jiang said that China has always advocated that differences between the two countries should be resolved through consultations on the basis of equality and in a constructive spirit.

"As long as China and the US proceed from the overall interests of their relations, respect each other, refrain from interfering in each other's internal affairs, and seek consultations on equal footing, specific problems in bilateral ties can be resolved properly," Jiang said.

Jiang reiterated that the Chinese government attaches importance to Sino-US relations, saying "We always hold that China and the US should look at and handle their relations from a strategic point of view and with an eye to the 21st century."

Developing normal and stable economic and trade relations between China and the US on the basis of equality and mutual benefit not only conforms with the fundamental interests of the two peoples, but also benefits the prosperity and development of the world economy, Jiang said.

Barshefsky said she came to China under instructions of President Bill Clinton, who considered US-China relationship one of the most important bilateral ties in the world.

President Clinton believed that the foundation of long-term and stable US-China relations can only be consolidated and strengthened through strategic dialogue, mutually-beneficial cooperation and constructive settlement of existing problems, she said.

PRC: CHINA DAILY Reports Success of IPR Talks
HK1806051896 Beijing CHINA DAILY in English
18 Jun 96 p 1

[By Sun Hong and Xiao Xu: "IPR Talks Avert Trade War"]

[PTS Transcribed Text for FBIS] China and the United States reached a deal on intellectual property rights (IPR) yesterday in Beijing, narrowly avoiding a trade war between the two nations.

The three days of intense talks ended last night with both sides backing away from threatened sanctions and counter-measures.

Acting US Trade Representative Charlene Barshefsky announced that the US would not go ahead with trade

sanctions against China, and would cross China off its list of "Special 301" targeted countries.

In response, Shi Guangsheng, vice-minister of the Ministry of Foreign Trade and Economic cooperation (Moftec) said China would not retaliate with planned counter-measures.

He also said China will continue to strengthen its efforts against IPR infringements.

The United States had threatened to impose sanctions on \$2 billion worth of Chinese exports because of dissatisfaction over China's IPR protection. China had vowed to retaliate if the US sanctions went ahead.

A Moftec spokesman said the talks had been "active and constructive." He said a satisfactory result was reached this time "through the efforts of both sides."

"This proves that the only effective way to settle disputes between countries is negotiation on an equal footing. Sanctions and retaliation cannot help solve problems but can only make them more complicated."

He said the peaceful settlement of the IPR issue is expected to benefit the overall development of Sino-US trade and economic co-operation, which is in the interests of both sides.

Yesterday afternoon Vice-Premier Li Lanqing held an hour-long meeting with Barshefsky and the two agreed that problems between the two countries could be resolved through consultation.

Barshefsky agreed that settling disputes through talks will lead to the "lasting stability and mutual prosperity" of bilateral relations.

She also told Li that the Clinton Administration would renew China's Most Favoured Nation status. On China's entry into the World Trade Organization, she said the US will "do what we can to facilitate the process."

Vice-Minister Shi said China will continue to strengthen efforts on protecting IPR, which "is necessary for China's own reform and opening up process and is important to its economic development and science and technology progress."

PRC: General Reactions to Sino-U.S. IPR Accord

HK1806062896 Hong Kong MING PAO in Chinese
18 Jun 96 p a10

[Report by staff reporter: "Result of IPR Talks Is Favorable to China"]

[PTS Translated Text for FBIS] With respect to China and the United States reaching an accord on the issue of intellectual property rights (IPR) protection yesterday

[17 June], the general reaction at home in China is that it is not a surprise. Many interviewees said that an accord had been expected, while the majority believed that the Chinese side has outdone its counterpart in the talks.

An official in Beijing indicated that viewing the fact that Jiang Zemin has received Charlene Barshefsky, China must have won greater scores in the just-concluded talks; otherwise, Jiang Zemin would not have received Barshefsky.

It was disclosed that China has not made any concession on the issue of U.S. access to China's cultural market, but made some concessions on several specific issues; for example, closing down some factories. It was learned that during the talks, the United States had presented, in its censure, exhaustive details of relevant factories that had been engaged in piracy. The official pointed out that those factories in question would have been closed down any way should they have really broken the rules. However, it was fundamentally impossible for the United States to gain access to China's cultural market, which, basically, does not fall in the IPR category. The Americans attempted to "pressurize" (qiao qiao da da 2418 2418 2092 2092) China through IPR talks but to no avail; they could only leave it at that.

A scholar from the economic circles stated that the result of the talks had been predicted, because several previous Sino-U.S. talks followed the same pattern. But he stressed that to China, the result of the talks was a good thing.

He indicated that the potential danger to China would have been far more serious than it was superficially felt should the talks have failed.

Presently the Chinese economy is at a low ebb in both production and consumption, and calls for some new stimulation to spark off its vigor. Should the talks have failed, it would have been a negative stimulation, which could set off other unfavorable factors and create very bad effects on China's economy, he added.

A Shanghai official of foreign economic and trade relations said that it was fully expected that the Sino-U.S. IPR talks would reach an accord. Such being the case, despite the fact that either side had earlier published its retaliation and counter-retaliation lists, Beijing had never issued an internal instruction on making preparations for a Sino-U.S. trade war. Should a trade war have been likely to take place, the foreign economic and trade system would certainly have made arrangements for very strict countermeasures.

Another source disclosed that Zhang Yuejiao, representative of the Chinese Government in the talks, concur-

rently Ministry of Foreign Trade and Economic Cooperation Treaty and Law Department director had earlier briefed Shanghai professionals saying that the prospects of the talks would be optimistic, the focus of the bilateral talks being market access. China has been highly vigilant against the U.S. demand on setting up a monitoring organization in China on the grounds of IPR; that behavior is seen as cultural infiltration and infringement of sovereignty, which China would never accept.

This official also acknowledged that there really were many problems in the IPR arena, with one difficulty after another surfacing in law-enforcement. Such being the case, China must see the seriousness of the issue with greater profundity even without U.S. pressure.

PRC: Officials, Academic Assess Result of Sino-U.S. IPR Talks

HK1806075796 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 18 Jun 96 p 4

[Report from the "Intellectual Property Rights in China" column by reporter Qi Xin (7871 2946): "People From All Walks of Life Comment on IPR Talks Results, Saying the Reaching of a Consensus Is Beneficial to Both Parties"]

[PTS Translated Text for FBIS] Beijing, 2200, 17 Jun (RENMIN RIBAO)—After a consensus was reached at the Sino-U.S. intellectual property rights (IPR) consultations tonight, this column interviewed the persons concerned from all walks of life.

Soon after the talks ended, this reporter interviewed Ren Yuzhan, a representative on the Chinese side and deputy director of the Audio-Video Administrative Department of the Press and Publications Administration, at the meeting site. In his view, the five-day difficult consultations have been very frank [fei chang tan shuai 7236 1603 0982 3764], with both parties explaining their respective stand. The Chinese delegation has made a detailed briefing on its efforts over the past year, which the U.S. also has confirmed.

Although there are still differences on some aspects, the consultations still managed to seek common ground on major issues while reserving differences on minor ones. Ren said in his assessment that the consultations were successful and that he was satisfied for being able to see the satisfactory results.

In the view of Li Bida, director of the Fair Transactions Bureau of the State Administration for Industry and Commerce, the reaching of a consensus between China and the United States is in the interests of the world's economic and trade circles and of most people in both countries.

He said: The business circles of both countries will benefit a great deal as a consequence.

Li said: "Practice has proven that differences between China and the United States can be resolved through consultation on an equal basis and that if the great nations work hand in hand, it will be greatly conducive to the progress and development of world civilization."

With regard to the consultation results, the officials and people in the business circles, as well as experts and academics, interviewed by us generally hold that they are reasonable. According to the analysis of Professor Liu Chuntian, director of the IPR Center at the People's University of China, the significance of IPR is that it is an important factor in Sino-U.S. relations and a key point involving the overall Sino-U.S. interests; both parties are aware that, if a trade war should break out, there will be no winner.

However, Professor Liu strongly disapproved of the U.S. practice of applying its domestic law in resolving international trade disputes, considering such a practice as "not at all clever."

Will there be another round of such "talks" next year, then? In the view of most people, the answer is yes. But they hold that such a practice on the part of the U.S. is "little short of being senseless." Professor Liu said: This is in fact a matter between the Chinese and U.S. enterprises and judicial departments. It should not become a pretext under which one party exerts pressure on the government of the other party.

Many interviewees stressed the efforts the Chinese side has made in protecting IPR. Bureau Chief Li Bida said: In the last year alone the departments of industry and commerce and affiliated organizations investigated and dealt with 100,000 cases involving copyright infringements. In the first six months of this year, they have inspected 6,451 production enterprises or sales merchants, closed down 120 laser disc screening centers, and seized 63,489 CDs and VCDs [both words given in English] and 21,546 video tapes. He said: The fact that China and the United States have reached a consensus in IPR talks is both a confirmation and an encouragement of their work.

Deputy Director Ren Yuzhan said: Thanks to the 100-percent work achievements on the part of the Chinese side, the Chinese representatives were obviously at an advantageous position in the talks.

The reaching of a consensus at the consultations has also been well received in the business circles. In a long-distance telephone interview with this reporter, Lin Binwei, general manager of the Xianke Group in Shenzhen, said that Xianke will set an example to the

business circles in respecting intelligence property [zhi hui cai chan 2535 1979 6299 3934].

He said: Chinese enterprises welcome an orderly, standardized environment of IPR protection.

The Xianke Group's Shenfei Laser System Company Limited is the largest CD production enterprise in China. It was forced to suspend production two years ago at the strong request of the U.S.

Lin Binwei said that they and the U.S. Warners Company are currently exploring the possibility of cooperation in producing 100 VCD and LD [LD given in English] movies and that the success of Sino-U.S. consultations will play a promoting role in this.

PRC: Editorial: IPR Agreement To Promote Improved Relations

HK1806082696 Hong Kong WEN WEI PO in Chinese 18 Jun 96 p A2

[Editorial: "Sino-U.S. Agreement Conducive to Improving Relations"]

[PTS Translated Text for FBIS] The five-day formal consultations between China and the United States over intellectual property rights [IPR] ended successfully last night. The agreement on the relevant issues reached between the two sides made it possible for them to avert at the last minute a trade war, which had been like an arrow in the bow likely to be released at any time. The U.S. side then announced the withdrawal of its proposed trade sanctions against China and promised to delete China from the priority watch list under Special 301 action; and accordingly China canceled its retaliatory package against U.S. trade sanctions.

What made the recent Sino-U.S. IPR talks difficult was that the U.S. side put China "on the priority watch list" under Special 301 action in late April this year, and announced last month that it was ready to impose punitive tariffs upon Chinese exports worth \$2 billion, which would be effective on 17 June, under the excuse that China had not honored the Sino-U.S. deal signed last year. The Chinese side naturally was strongly against this unreasonable trade retaliation and then announced its tit-for-tat package. If a trade war between China and the United States should break out, neither side would gain and the Hong Kong and Taiwan regions would also suffer. More seriously, if a precedent was set, the United States would, at any turn, take retaliatory measures against any country with which it gets into a trade dispute. In today's world, the more developed a country is, the more it relies upon international economic ties for its development. For a developed country to impose sanctions against other

countries may bring immediate solid satisfaction, but it will also harm its own interests. So the international media calculated that the two sides would reopen IPR talks and reach agreement. This was because if the United States persisted in imposing sanctions against China, it would not only face retaliation by China, but also lose China's market, which has enormous potential and great demand for foreign goods, with the result that U.S. trade rivals would immediately fill the vacuum. On the other hand, such an attitude would harm Sino-U.S. relations to the detriment of the United States' long-term strategic interests. In other words, if the United States started a trade war, it would harm the other side but would not serve its own interests. All problems arising from increasingly expanded trade between the two countries can only be settled through negotiations on an equal footing.

Relevant officials of the two sides held informal consultations in Beijing from 6 to 7 June. Later the U.S. chief negotiator traveled to Guangdong to find out how IPR had been protected and pirated audio-video products banned. Beginning 13 June, the two sides held formal consultations. The specific items on their agenda were not published, but the clues given to reporters by both sides suggested the atmosphere for negotiations was frank and constructive. Over the last few days negotiators from both sides have worked throughout the night. The Chinese vice premier met acting U.S. Trade Representative Barshefsky, and this indicated that the two sides had basically reached a consensus. The two sides finally reached an agreement on IPR protection.

China has maintained a consistent stand on, adopted a clear-cut attitude toward, and taken effective measures for, IPR protection, but the U.S. side turned a blind eye to all this and declined to acknowledge the efforts and achievements China had made in this respect. If the U.S. side had refused to change its attitude, further bilateral negotiations would have been out of the question. The fact that the U.S. side has now lifted its proposed sanctions against China demonstrates that it has taken a practical approach, thus creating favorable conditions for handling similar issues.

Both China and the United States are important major countries in the world. While China is the country with the largest population registering the most rapid economic growth, the United States is the most developed country. China provides U.S. consumers with a large quantity of goods which are of good quality and cheap, and also provides U.S. agriculture, industry, its financial industry, and show business with a huge market. It is generally believed that no other country in the world is likely to provide such a huge market for several years to come. The economies of the two countries are to a great

extent complementary, and the two can achieve mutually beneficial and complementary cooperation through normal exchanges. This will benefit both sides and will be of great significance to peace, stability, and prosperity in the Asia-Pacific region and the rest of the world. The agreement reached by the Chinese and U.S. sides on IPR protection will promote cooperation between the two countries in other fields as well as the improvement and development of their relations.

Near East & South Asia

PRC: Yasir 'Arafat Arrives in Beijing

OW1706151396 Beijing XINHUA in English
1424 GMT 17 Jun 96

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Palestinian President Yasir 'Arafat arrived here this evening by a special plane for a state visit to China at the invitation of Chinese President Jiang Zemin.

'Arafat's entourage includes Secretary-General of the Palestinian National Authority Tayeb Abdul Rahim [name as received], and some other Palestinian officials.

Chairman of the Chinese Government Reception Committee and Minister of Justice Xiao Yang greeted 'Arafat and his party at the airport.

PRC: Jiang Zemin, Yasir 'Arafat Start Talks in Beijing

OW1806090496 Beijing XINHUA in English
0853 GMT 18 Jun 96

[FBIS Transcribed Text] Beijing, June 18 (XINHUA) — Chinese President Jiang Zemin and Palestinian President Yasir 'Arafat held talks at the Great Hall of the People here this afternoon.

At the beginning of the talks, Jiang extended a warm welcome to 'Arafat, saying that Arafat is a respected old friend of the Chinese people.

He said he is happy to exchange views with 'Arafat on regional and international issues as well as bilateral relations.

Jiang noted that the current visit of 'Arafat will further promote the development of Sino-Palestinian friendly ties.

'Arafat, now on his 10th China visit, said this is the first time for him to fly here directly from his own territory.

He added that the visit came right before the summit meeting of Arab nations, on which the Arab nations place high hopes.

The talks, which still proceed up to press time, came after a welcome ceremony presided over by Jiang in honor of 'Arafat.

'Arafat arrived here Monday evening [17 June] for a state visit to China at the invitation of Jiang.

Chinese Vice-Premier and Foreign Minister Qian Qichen and Secretary-General of the Palestinian National Authority Tayeb Abdul Rahim [name as received] were among those who joined the talks.

PRC: Jiang Zemin Presides Over Ceremony for Yasir 'Arafat

OW1806083596 Beijing XINHUA in English
0808 GMT 18 Jun 96

[FBIS Transcribed Text] Beijing, June 18 (XINHUA) — Chinese President Jiang Zemin presided over a grand ceremony to officially welcome Palestinian President Yasir 'Arafat here this afternoon.

At the ceremony, which was held outside the east gate of the Great Hall of the People, Jiang accompanied 'Arafat in reviewing a guard of honor from the three services of the Chinese people's Liberation Army.

The Palestinian leader arrived here Monday evening [17 June] for a state visit to China at the invitation of Jiang.

'Arafat's entourage includes Secretary-General of the Palestinian National Authority Tayeb Abdul Rahim [name as received], and some other Palestinian officials.

PRC: XINHUA Interviews Yasir 'Arafat on Upcoming Trip

OW1706131896 Beijing XINHUA in English
1311 GMT 17 Jun 96

[FBIS Transcribed Text] Cairo, June 17 (XINHUA) — Palestinian Authority President Yasir 'Arafat left Cairo early today for Beijing for a four-day official visit to China.

In an interview with XINHUA before leaving Cairo, 'Arafat made it clear that his visit to China comes in fateful circumstances experienced by the Arab nation, so it is undoubtedly very important for the Palestinians, the Arab nation and the Middle East region.

During his visit to China, 'Arafat added, he would brief Chinese leaders on the latest developments of the Middle East peace process following the recent Israeli elections, in which Israeli hardline Likud leader Benjamin Netanyahu was elected prime minister.

'Arafat expressed high appreciation for the major role currently played by China in the interest of the Palestinian people, the Arab nation and the Middle East peace issues.

The Palestinian President said that, in the light of the changes which have recently happened in Israel, he felt it incumbent upon him to put the Chinese leadership in the picture about these changes and their consequences.

In reply to a question about his expectations of the upcoming pan-Arab summit due to be held in Cairo from June 21 to 23 and the future of the Middle East peace process, especially on the Palestinian-Israeli track, the Palestinian leader said, "The upcoming Arab summit comes amid the critical conditions undergone by the region, especially in the field of the peace process.

"The summit is also intended to restore Arab solidarity so that the Arab nation can contribute to shaping the new world order and preventing it from functioning at its expense. Protecting the peace process on all tracks is another important point."

'Arafat added that "in order to achieve a fair, overall and lasting peace, it has to take into consideration all these points, especially on the Palestinian-Israeli track of the Middle East peace process."

On his expectations of the future of the final-stage negotiations with Israel, the Palestinian leader said, "We have to wait and see how the new Israeli government will be like."

On his way to Beijing, 'Arafat arrived in Cairo Sunday night [16 June] from Gaza City for a few hours' stay, during which he had talks with Egyptian Foreign Minister 'Amr Musa.

Political & Social

PRC: Jiang To Defer Response to Li Teng-Hui Inauguration Speech

HK1806082996 Hong Kong SING TAO JIH PAO in Chinese 18 Jun 96 p A2

[By reporter Kuang Tung-chou (6782 0681 5297): "Jiang Zemin Will Be Absent From 1 July Celebration of CPC's Founding, Postponing His Response to Li Teng-Hui's Inauguration Speech"]

[PTS Translated Text for FBIS] A Beijing source indicates that Beijing's top echelon has no intention of responding to Li Teng-hui's inauguration speech at the 1 July celebration of the founding of the party. At present, the hierarchy's attitude is very clear: It will continue to freeze cross-strait relations until Taiwan takes practical action to return to a "one China" stand.

The source noted that Jiang Zemin's visit to Europe is scheduled for 23 June to 6 July. As Jiang will not be in Beijing on the 75th anniversary of the CPC's founding, it will be impossible for him to respond to Li Teng-hui. In addition, Li Teng-hui has indicated that a national conference to be attended by various strata in Taiwan will be held in July or August to reach a consensus on the development of cross-strait relations. Thus, the mainland needs a period of time to observe Taiwan further.

A recent visit by Huang Wenfang—former director of the Taiwan Affairs Department of the Hong Kong branch of the XINHUA News Agency to Taiwan—has drawn attention and concern. It seemed that Taipei had also intentionally built up the momentum of easing cross-strait relations through this contact. However, the Beijing source said that Huang Wenfang's visit to Taiwan was purely an individual action without any mission.

It is understood that a Chinese-funded organization in Hong Kong will hold a seminar in August on cross-strait relations. When asked whether China will let Chiao Jen-ho, vice chairman and secretary-general of Taiwan's Straits Exchange Foundation, attend the conference in Hong Kong if he wishes, the source said: Continuing to freeze cross-strait relations without high-level contacts is Beijing's current policy. It will probably be up to Beijing's top echelon to decide whether Chiao Jen-ho can attend the meeting if he makes a request.

PRC: AFP China Paper on 'Dalai Lama's Clique'
OW1806090696 Hong Kong AFP in English
0651 GMT 18 Jun 96

[FBIS Transcribed Text] Beijing, June 18 (AFP) — China has launched a fresh attack on the Dalai Lama

and warned against a return to feudalism and slavery in Tibet.

An official in Sichuan province, southeast China, bordering Tibet, said "old forces were trying to take reverse history by attempting to re-establish the old hierarchical system in some areas."

The Dalai Lama's clique is using all means to organize infiltration operations and sabotage in regions of Tibet, said Wang Jingrong, communist secretary of Sichuan's Communist Party political and legislative committee, quoted by the Sichuan Legal Daily.

He wrote the article after a recent visit to two prefectures in Tibet.

Wang's commentary follows publication last month of a report by the Tibet High Court denouncing terrorist activities, assassinations and bomb attacks by separatists.

The Dalai Lama, the Tibetan Buddhist spiritual leader who has lived in exile in India since an anti-Chinese uprising in Tibet in 1959, has been fiercely attacked by Beijing which has accused him of trying to separate Tibet from China.

"The Dalai Lama has betrayed the Chinese nation," said the Tibet Daily [XIZANG RIBAO] in its June 10 edition, copies of which were received in Beijing Tuesday.

"Foreigners support him in his secessionist activities, solely for their own interest. But when this is no longer relevant they will drop him without pity and it will be too late for any regrets," it added.

Tibet's future is only bright if it follows the socialist path and the communist government's leadership, said the unnamed author of the article entitled "The secessionists will fail."

The paper said Tibet had been officially Chinese since the 13th century and that thanks to the former kingdom's "peaceful liberation" in 1951 by communist troops, the system of slavery had been abolished.

But the Dalai Lama and some western countries want to internationalize the Tibet question, and restore the slavery system, it said.

China has reacted angrily to the holding in Bonn, Germany, of an international conference of solidarity with Tibet which the Dalai Lama and members of his government-in-exile are attending.

On Monday the conference adopted an action plan aimed at preserving Tibetan culture and defending human rights there.

China considers the conference interference in its internal affairs and closed the Beijing office of Germany's Friedrich Naumann Foundation which is organizing the event in reprisal.

The Dalai Lama is using his religious status to promote secessionist activities, said the Tibet Daily author. He accused the religious leader of trying to extend his influence in the temples and rural areas.

"But the religious mask of the Dalai Lama will not fool the Tibetan people because the policy of religious freedom is widely approved by the monks and people of Tibet," he said.

This version of the situation in the monasteries in Tibet is at odds with reports of serious troubles in several temples last month after Beijing banned all photographs of the Dalai Lama.

The Tibet Daily said Tibet's security and development was linked to the security and development of China as a whole.

"This is why the problem of the security, stability and development of Tibet can only be settled within the great Chinese family," said the author of the article.

PRC: Bao Tong's Family Will Never Agree to Release Conditions

HK1806060096 Hong Kong MING PAO in Chinese 16 Jun 96 p A6

[Report by staff reporter: "Bao Tong's Family Will Never Agree to Authorities' Condition for His release"]

[PTS Translated Text for FBIS] It is still not known when Bao Tong, political secretary to former General Secretary Zhao Ziyang, can return home. His daughter Bao Jian indicated that they will not agree to moving out as a condition for his father's release.

Since the completion of his prison term, Bao Tong has been placed under house arrest. A source noted earlier that as Bao Tong held an important post before his imprisonment and knows much about state secrets, the relevant authorities will place him under long-term home surveillance or demand that he move out so as to prevent him from leaking state secrets to the foreign media.

In yesterday's telephone interview with this newspaper, his daughter Bao Jian said that her father's release is a legal question. If the relevant authorities take his moving out as a condition for his release, they will not agree to it. She added that her father, who wrote letters earlier to Chinese leaders calling for his release, is still awaiting replies from the relevant authorities.

As far as Bao Tong's health condition is concerned, Bao Jian said that her father, who has not been given an opportunity to see a doctor, only takes the medicine he used to take in prison. She also said that she has no idea of the U.S. State Department's and the international human rights organization's concern over Bao Tong's condition, and that Beijing public security officers still keep watch on his residence.

In addition, dissident Ren Wanting, who was released from prison after "4 June," has also been placed under house arrest.

PRC: Tibet Radio Stresses Crime Crackdown, Crime Prevention

OW1606161796 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 15 Jun 96

[Station commentary: "We Should Combine Crackdown With Crime Prevention To Facilitate Comprehensive Management of Public Security"]

[FBIS Translated Text] While carrying out the current crackdown campaign, some localities and units have combined the crackdown with crime prevention, further strengthened comprehensive management of public security, and attained good results in this regard. We should promote such experiences. It is good to combine the crackdown with crime prevention and to facilitate comprehensive management of public security, because these measures are conducive to eliminating the hidden root causes of crimes and to consolidating the accomplishments of the crackdown campaign. The crackdown campaign — an important means of resolving acute social problems in a certain period — is timely and necessary. However, we cannot resolve all the social order problems through one or two crackdown campaigns. We must promptly and strictly facilitate comprehensive management of public security, and closely integrate the crackdown campaign with other measures for comprehensive management of public security. While making greater efforts in the crackdown campaign at present, we should organically integrate various tasks, including crime prevention, management, and construction. We should promptly propose measures to rectify loopholes in crime prevention and management that have been discovered during the crackdown campaign so as to eliminate the hidden root causes of crimes and to strictly carry out the crackdown campaign. Consequently, criminals will never have places to hide and we can more effectively consolidate the accomplishments of the crackdown campaign.

To safeguard social order and stability, we need to depend on the joint efforts of political, legal, and public security departments. We need to rely more on the

strong leadership of party committees and governments at various levels. We also need to rely on active participation of various departments and units, and on the joint efforts of the whole society. We should fully utilize favorable opportunities during the crackdown campaign, further improve and implement the leadership responsibility system governing comprehensive management of public security, earnestly enhance infrastructural construction projects at the grass-roots level, and fully mobilize the enthusiasm of organizations that stress mass prevention and mass treatment. Consequently, someone will handle or manage relevant tasks in every locality or unit. We will then be able to form a powerful encirclement to round up and eliminate criminals who will become "mice that are attacked from all angles." Hence, we can guarantee long-term stability in society.

PRC: Li Peng Speaks on Applying Science, Technology

*OW1706143996 Beijing XINHUA in English
1421 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Chinese Premier Li Peng today called for the application of science and technology to be stepped up, saying that governments at all levels should spare no effort in promoting and safeguarding scientific achievements.

The premier made the remark here this morning at a Forum on Accelerating the Application of Scientific and Technological Achievements, which was attended by dozens of ministerial level officials.

Li, noting that the integration of science, technology and economy represents a worldwide trend, said that the quality and efficiency of economic growth in China hinges on whether scientific and technological achievements are properly used to promote economic development in good time.

Enterprises should play a principal role in doing the work, and the sooner those achievements can be transformed into realistic production forces, the better, the premier said.

Li also pointed out that the hope of China's agriculture, especially its grain production, should be primarily pinned on the application of scientific and technological achievements.

The premier stressed that priority should be given to the development of such sectors as energy, communications, information, environmental protection, and high-tech industries, sectors that are crucial for the overall progress of national economy.

He asked governments at all levels to broaden the channels for the accumulation of research funds, and

at the same time, to create a favorable environment, in a move to attract more outstanding overseas Chinese researchers to return home, and do their bit for the development of the motherland.

PRC: Li Peng Calls For Strengthening Vocational Education

*OW1706151596 Beijing XINHUA in English
1433 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — China's Premier Li Peng today urged governments at all levels to pay close attention to the country's vocational education.

Li told participants to the third national working conference on vocational education, jointly held by the State Education Commission, the State Economic and Trade Commission and Ministry of Labor, that with the establishment of a socialist market economy, economic development calls for more practical talents.

Efforts should be redoubled to cultivate a great number of workers with professional skills, who are well-trained in an all-round way — morally, intellectually and physically, Li said.

"It is a major component of China's educational undertaking and it has played an important role in the construction of socialist modernization," the premier said, referring to the importance of vocational education.

Thanks to the past decade's efforts in reforms and opening to the outside world, China has made tremendous achievements in developing vocational education, Li said.

Students enrolled by vocational schools has reached 58 percent of high schools and vocational schools put together, exceeding the previous ratio of one-to-one between the two kinds of schools, he noted.

By the end of the century, the premier said, vocational school students in more developed areas are expected to reach up to 70 percent of the total enrollment.

However, he said, the lack of teachers posed an urgent problem in developing vocational education. For that, he added, all educational departments should redouble their efforts to cultivate, by all means, a great number of teachers committed to vocational education.

The difficulty in universalizing compulsory education lies in rural areas, he said, adding that in some places, the number of illiterates has grown. Therefore, he said, vocational education should be expanded into basic education in the rural areas.

Li met participants to the meeting in the Great Hall of People this afternoon.

PRC: Shanghai CPC Secretary Huang Ju Speaks at Municipal Meeting

OW1706152396 Shanghai JIEFANG RIBAO
 in Chinese 31 May 96 p 1

[By Xu Qizhong (1776 3825 1813)]

[FBIS Translated Excerpt] On 30 May, the third Shanghai municipal meeting on job placement for demobilized military personnel was held at Friendship Hall, and a number of advanced workers and units engaged in this work and progressive cadres transferred from military to civilian posts were commended at the meeting. Secretary Huang Ju of the Shanghai Municipal CPC Committee and Shanghai Mayor Xu Kuangdi cordially met those taking part in the meeting, including model workers, and had a group photograph taken to mark the occasion.

At the meeting, Huang Ju first extended warm congratulations to the commended units and individuals on behalf of the municipal party government and the municipal government, and also gave regards to all demobilized cadres, saying all comrades support and care about the work of giving job placement to demobilized military cadres in Shanghai. He said: Since 1980, Shanghai has successfully given jobs to nearly 30,000 demobilized military cadres. They have continued to carry forward the fine tradition of the people's army and work diligently at their civilian posts in all fields. They have formed an important backbone force in Shanghai's reform, opening up, and modernization. Governments at all levels and all institutions also did a great deal of work in the placement of cadres transferred from military to civilian posts, and satisfactorily fulfilled the task assigned by the central authorities to Shanghai.

Huang Ju said: Military cadres constitute an important part of the party's cadre contingent. They contributed their most valuable years of youth to the motherland's peace and the people's happiness. When they are transferred to civilian posts, we should take good care of them and properly give play to their abilities. This is an unshirkable duty of our local party committees and governments. We must properly receive, place, train, and use the demobilized military cadres and take this as a political task according to the instruction of General Secretary Jiang Zemin, thus satisfying the party central leadership and the military leadership and also satisfying the military cadres being transferred to civilian posts. [passage omitted on list of names of commended units and individuals]

PRC: Commentator on Building 'Steel Wall' To Support Stability

OW1706023096 Urumqi XINJIANG RIBAO
 in Chinese 30 May 96 p 1

[By unattributed commentator: "Build a Steel Wall Against Split" — sixth in a series on "Strengthening Nationality Solidarity and Safeguarding Xinjiang's Stability"]

[FBIS Translated Text] In safeguarding Xinjiang's stability, we are required to maintain a high degree of political sensitivity at all times, to be prepared for danger in time of peace, to make hay before rain, to strengthen work in all fields, to concentrate our efforts, to form a strong force, to always remain alert, to deter a small number of splittists and all kinds of serious criminals, and to be ready at all times to crush their plot on undermining stability and creating split.

Cadres and masses of all nationalities in Xinjiang are the main forces of safeguarding Xinjiang's stability, protecting the motherland's unification, and opposing split. Practice has proved that cadres and masses of all nationalities in Xinjiang support Communist Party leadership, support the socialist system, love the big family of the motherland, treasure the political situation of unity and stability, and bitterly hate all moves that undermine nationality solidarity and endanger the motherland's unification. In many previous struggles against split, they have always sided with the party and the government, made concerted efforts against the enemy, played their major role, and stood severe tests. In the current and future struggles against national splittism and illegal religious activities, we must continue to unswervingly trust and rely on cadres, herdsmen, peasants, workers, intellectuals, and other laborers, to bring into full play the role of patriotic personalities of all nationalities, to isolate to the maximum and crack down on a small number of national splittists and serious criminal offenders, and to base stability on the vast numbers of masses. Through propaganda and public opinion, we must expose the intrigues and evil intentions of hostile elements, so that cadres and masses can differentiate between right and wrong and unite around the party and the government more closely. We must fully mobilize the masses so that the enemy will be drowned in a vast ocean, and a small number of national splittists and serious criminal offenders will become "rats on the streets chased by people."

We must strengthen the role of public security institutions, state security organs, and other people's democratic dictatorship departments in opposing split and combating sabotage activities. For many years, these dictatorship institutions have held high the banner of

safeguarding stability, have effectively cracked down on all kinds of criminal activities, and have made outstanding contributions to protecting the motherland's unification and opposing national split, thus creating a fine environment for Xinjiang's economic development. In this new situation, all levels of party committees and governments should pay more attention to the formation of the judicial contingent. They should assign adequate personnel to the leading groups of public security, state security, procuratorial, judicial, and administrative departments; courts; and the police contingent. They must conduct strict training and education, improve their political and ideological quality as well as their professional level, increase material investments, improve their equipment conditions, enhance their combat effectiveness, and turn the judicial contingent into a brave and heroic contingent that is politically reliable and professionally qualified.

The Chinese People's Liberation Army and Armed Police Force are powerful pillars in safeguarding the motherland's unification and maintaining social stability. There is a need to strengthen the formation of military forces stationed in Xinjiang. Military units and localities must closely cooperate with each other and do well in uniting all nationalities and in forming unity between soldiers and civilians and between the Army and the government. All levels of party committees and governments should actively support the armed forces buildup, do well in supporting the Army, and take the initiative in helping armed forces units resolve their difficulties. It is necessary to strengthen the formation of county (city) people's armament departments, make a success of the work concerning the militia and reserve units, strengthen ideological and political work among prefectural, county (city), and township militia detachments, exercise stricter education and management over them, and enhance the quality of the Army and the government. When the Army and the people are united as one, who in the world can beat them?

The Xinjiang Production and Construction Corps is a reliable and important force in safeguarding Xinjiang's social stability and in building and protecting the border. The existence and development of the corps constitute an unmountable obstacle to international hostile forces and national separatist forces in and outside the country in their attempt to "split" Xinjiang. Over the last 40 years, the one million cadres, workers, and staff members of the corps have made indelible contributions to reclaiming lands, to building Xinjiang, to safeguarding the border, and to bringing about Xinjiang's economic development and social progress. Effective measures must be taken to speed up the development of the corps' undertakings and to give

full play to the corps' special function in protecting and building the border. Localities and the corps should respect each other, support each other, learn from each other, and achieve common development.

As long as we are united and ready in full battle array, we will always hold the initiative in our hands in the struggle against split and sabotage. In this way, we will ensure Xinjiang's prolonged stability and development.

PRC: Nationwide Campaign Publicizes UN Maritime Convention

*OW0906035796 Beijing XINHUA in English
0308 GMT 9 Jun 96*

[FBIS Transcribed Text] Beijing, June 9 (XINHUA) — To mark the adoption of the UN Convention on Maritime Law, China held a nationwide publicity campaign today for ocean activities in more than 100 coastal cities and towns.

The National People's Congress, China's parliament, adopted the UN Convention on Maritime Law in May.

The National Oceanographic Bureau designed this campaign to publicize the content of the convention, the rights and obligations it entitles to China, and to promote awareness of the ocean's potential.

The campaign theme is "Good administration and exploitation of the sea to bring benefits to our descendants." Lectures and symposiums about the ocean were held, and newspapers and magazines carried articles to publicize the event.

Workers with local marine administration departments in these coastal regions took to the streets to spread information about their organizations, as well as Chinese marine rights and marine economy.

PRC: Construction Bank Donates Money To Reward Crime Fighters

*OW1706042496 Beijing XINHUA Domestic Service
in Chinese 0758 GMT 13 Jun 96*

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Jia Fenyong (6328 1164 0516)]

[FBIS Translated Text] Beijing, 13 Jun (XINHUA) — The Construction Bank of China Compassion Fund today donated 500,000 yuan to the China Foundation for Heroism Awards to reward heroes who took up the cudgels for a just cause.

The donation was a public welfare event organized by the Construction Bank of China to promote spiritual civilization. It was the first time that the China Foundation for Heroism Awards received a donation from the

business sector. An official in charge of relevant matters said: The donation will mainly be used to reward heroes who took up the cudgels for a just cause during the current "stern crackdown."

The Construction Bank of China Compassion Fund was established this year by the bank's 300,000-plus employees, who voluntarily took 100 yuan from their salaries and donated the money to the fund. Each year, the bank will use interest accrued on this fund to provide financial assistance to poor college and university students, reward heroic acts, and establish primary schools affiliated with "Project Hope."

PRC: Ministry Marks World Day To Combat Desertification, Drought

*OW1706085496 Beijing XINHUA in English
0832 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Desert-control officials, experts and students have appealed for more efforts to curb desertification and drought in China.

The appeal was made during a public awareness campaign held in downtown Beijing to mark the World Day to Combat Desertification and Drought, which is today.

At a publicity gathering held at the Nationality Culture Palace, Zhu Guangyao, vice-minister of forestry, said the situation against desertification in China is "still very grave," as desert area is expanding faster than it is controlled.

He called for increased awareness regarding environmental protection, especially from leading government officials, and more investment in desertification control projects.

Desertification control experts and students from Beijing Forestry University offered passers-by information including the current edition of "China Forestry News" and pictures featuring desertification control in China.

About 13 million ha of farmland is affected by desertification and cannot provide stable grain output. Nearly 100 million ha of grassland has degenerated.

Hundreds of large water conservancy facilities, 800 km of railway lines and several thousand km of highway are under threat of shifting sand.

China's desert region covers 3.32 million sq.km., about 34 percent of the country's total land, mostly in northwest China, north China and northeast China, according to the ministry.

Similar activities were held in areas near Wangfujing, the busiest shopping center in the capital, and the Beijing Exhibition Center.

About 10 million ha of trees planted during the past 40 years to contain desertification have survived, and have helped protect 11 million ha of farmland, the ministry said.

About 1.3 million ha of farmland has been recovered from desert areas and regions deeply affected by desertification.

China launched a national desertification control project in 1991, listing 20 counties as major desert-control areas. Since then, desertification control has been included as part of the national social and economic development program.

Military & Public Security

PRC: PLA Reports Engineering, Scientific Research Achievements

*OW1706141796 Beijing XINHUA Domestic Service
in Chinese 1106 GMT 13 Jun 96*

[By reporters Jiang Wenming (1203 2429 2494) and Bao Guojun (0545 0948 0193)]

[FBIS Translated Text] Beijing, 13 Jun (XINHUA) — The People's Liberation Army [PLA] held its first exhibition of the military system's engineering and scientific research achievements at the Academy of Military Sciences on 13 June. Thirteen units from military scientific research centers, academies, institutes, and national defense industry system displayed and demonstrated 22 accomplishments, showing the army's new progress in applying and developing the military system's engineering research.

Scientific research achievements shown at the exhibition included various fields, such as auxiliary to policy decision-making [fu zhu jue ce (6534 0504 0414 4595)], combat simulations, efficiency appraisals, data banks, and relevant development tools. With data banks as foundations, most of the research achievements have comprehensively applied new and high-technology, including artificial intelligence, blurred target reasoning [mo hu tui li (2875 4739 2236 3810)], graphics, and multimedia computer science. They are able to rapidly form different programs to expound, verify, appraise, and make decisions. Characteristics of the research achievements include vivid graphic images. The research achievements are easy to operate and apply. Experimental applications by some military units, academies, and institutes showed: The scientific research achievements can effectively improve military command's efficiency and precision, enhance the benefits in researching and manufacturing weapons and equipment, and upgrade the benefits in facilitating battle and tactical trainings and military administration.

It has been learned, even though the army began the military system's engineering and scientific research projects at a relatively late stage, the projects have developed very rapidly. The army has preliminarily formed a relatively improved framework for expounding, verifying, researching, manufacturing, experimenting, and publicizing scientific research projects. The army has made considerable progress in enhancing the depth and scope of theoretical research, raising the quantity and quality of research accomplishments, and increasing the scope and efficiency of applications for the research accomplishments.

PRC: Official Reviews Logistic Support for Defense Research

OW1706144796 Beijing Central Television Program One Network in Mandarin 1100 GMT 11 Jun 96

[Announcer-read report by reporters Zou Keqin (6760 0344 0530) and Jia Xudong (6328 2485 2639) over video; from the "National News Hookup" program]

[FBIS Translated Text] Along with the rapid development of the undertaking of science and technology for national defense, logistic support for national defense research and experimentation is facing an increasingly heavy task. Officers and men of the Logistics Department of the Commission of Science, Technology, and Industry for National Defense [CSTIND] have worked hard and advanced in a pioneering spirit to ensure the smooth completion of defense science and technology assignments with high quality and efficiency, thereby pushing the comprehensive capability of logistic support to a new height. Following is a report on this.

[video opens with a medium shot of a military officer, identified by caption as director Zhang Jiade of the CSTIND Logistics Department, standing inside a laboratory with a huge monitor screen and computers, and speaking into a microphone]

[Begin Zhang recording] Science and technology for national defense are an advanced field of science and technology today. To provide logistic support for such an undertaking requires intensive technology, coordination over a wide range of areas, and difficult [words indistinct]. Persisting in the central task of promoting defense science and technology, the CSTIND Logistics Department has mapped out meticulous plans and worked in a down-to-earth way to provide effective support for the undertaking of defense science and technology. [End recording]

[Unidentified reporter] [Begin recording] According to a briefing, the CSTIND Logistics Department has worked meticulously to provide effective logistic support in terms of funding, material supply, and technology sup-

port for monitoring the launches of more than 40 Chinese and foreign satellites; and for conducting thousands of conventional weaponry tests and guided missile and air dynamics tests, and the study and manufacture of Galaxy large computers. Especially in logistic support for special fuels, special equipment, special supply, and special transportation, and in unforeseen incidents, the department has demonstrated a high degree of planning and coordination ability and the capability to deal with contingencies. To meet the requirements for launching Chinese and foreign satellites alone, the department has organized the production, transportation, laboratory testing, and refueling of several tons of combustible, explosive, and highly toxic satellite and rocket propellants. Actively exploring new ways to provide logistic support under the conditions of the market economy, the department has implemented a number of major reform measures, and introduced a contract bidding system for research and development projects of more than 30 kinds of special large equipment, including the satellite launching pad, thereby ensuring the progress and quality of research and development while saving about 100 million yuan in the budget. The department has also set up a three-tier network of resources management in which the CSTIND general office, regional offices, and units directly under the CSTIND participate. It has also set up a planning and coordinating organization for domestic and foreign transportation involving various military and civilian departments, thereby ensuring smooth command, swift access to information, and prompt supply, management, maintenance and repair; as well as successfully completing several hundred special transportation assignments. [while the reporter speaks, video shows a truck hauling a large "sealed satellite container," soldiers test-firing ammunition, a rocket standing ready for launching, models of airplanes and computers, officers attending a discussion, a civilian airplane taking off, and a convoy of trucks moving on a highway] [End recording]

***PRC: Article Views Anhui Militia Contingency Detachments**

96CM0167A Nanjing DONGHAI MINBING [EAST SEA MILITIA] in Chinese 1 Dec 95 No 12, p 32

[By Jia Wei (6328 0251) and Liu Fuheng (0491 4395 0077); text and photographs by staff correspondent Wen Wei (5113 0251): "With All of You, We Are 'Doubly Assured'!— A Sidelight on the Military Training of a Pilot Unit in a Contingency Detachment of the Anhui Provincial Militia"]

[FBIS Translated Text] Immediately after a flash and several deafening thunderclaps, a thick volume of smoke

shot 40 to 50 meters up to the sky and there stabilized into a gigantic mushroom cloud.

"Good! The detonation was a success," enthused the commentator, before his voice was drowned in a wave of loud applause.

In the autumnal browns and golds of October, when the heady fragrance of laurel blossoms wafted through the fresh air, flags flew, firearms crackled, guns roared, and men shouted at the practice range of the training unit of the Hefei Military Subdistrict. The practice range was located in an open area south of the Dashushan Mountain in the western suburb of Hefei City. Close to a thousand members of the contingency detachments from Hefei City, Huaiyuan County, Guichi City, and Yizhou City were briefing delegates and party and government leaders from the PLA [People's Liberation Army] Headquarters, Nanjing Military Region, and the Anhui provincial government on the results of their military training. The delegates and leaders were attending a seminar on the reserve duty work of Anhui Province's militias.

The scene described above was the result of a dam explosion and flood channeling exercise staged by the engineering detachment of a contingency battalion of the Guichi City Militia. The city is situated on the south bank on the lower reaches of the Changjiang River, surrounded by high hills and dense forests and crisscrossed by rivers and rivulets. Taking advantage of the terrain, the militia contingency battalion had formed a special technical detachment, which in recent years has played an active role in antiflooding work, rescue operations, and emergency missions. The exercise was an example of the emergency measure of blowing up dams to channel the flood in order to minimize its damage, save key areas, and prevent the whole situation from worsening when an extraordinarily large flood is seriously threatening key energy and transportation bases or cities.

While the smoke was still hanging in midair, a dozen soldiers in fatigues leaped out of trenches and earthworks. They were the infantry squad of the contingency company of the Yizhou City Militia in the midst of a drill of encircling and eliminating armed rioters. The scenario was that an armed gang had looted an arsenal and was fleeing with weapons stolen from it. Soldiers, police officers, and militias were lying in wait for them, and a contingency company of the Yizhou City Militia had received orders to encircle and eliminate the gang.

Yizhou City straddles seven counties belonging to Jiangsu, Anhui, and Zhejiang. It is a society with all kinds of characters and many civil disputes. To handle emergencies, the company has set up its personnel es-

tablishment in light of the need of the public security to safeguard social law and order. The training underlines tactical drills for the company and its platoons and squads in a bid to continuously raise the ability of the entire detachment to carry out its missions. Meanwhile, the attack had started. Militiamen carrying light weapons moved nimbly in three combat groups in a triangular formation, crawling or leaping forward under the protection of crossfire. In the attack, the squad commander first instructed his men to concentrate on providing cover for the shooters of 4-0 rocket-launchers, who were trying to take out the firepower of the rioters. Then the squad assaulted, shelled, and captured the rioters, killing several of them, and destroying two of their strongholds. The remaining rioters retreated to an underground bunker. The squad, riding on the victory, bombed the bunker and completely neutralized their hidden firepower.

Major General Liu Zhengzong, deputy commander of the Anhui Provincial Military District, had been watching attentively the progress of the exercise on the podium. In between tense drill briefings, he gave us an interview on the thinking and practice of Anhui province in the work of the militia's contingency detachments. In line with the characteristics of inland provincial military districts, the party committee of the Anhui Provincial Military District made the construction of a militia contingency detachment a key task in its militia work and pursued it vigorously, and laid down the policy of achieving breakthroughs in standardization and improving overall preparedness. Early this year, studies were made on four different units with a view to identifying a way to address the problem of strengthening contingency detachments in the provincial capital city, county-level cities, counties in mountainous regions, and major agricultural counties. On the basis of this effort, two sets of regulations, the "Provisional Regulation on Building Contingency Detachments for the Anhui Provincial Militia" and the "Provisional Regulation on the Military Training Courses and Arrangements for the Contingency Detachments of the Anhui Provincial Militia," were formulated. The two regulations combined the needs of peacetime contingency and wartime mobilization and integrated organically the five areas of troop establishment, training requirements, installations and equipment, management measures, and logistic mechanisms. As a result, levels of communications support, fast-reacting deployment, and mission accomplishment were raised considerably.

A burst of gunfire interrupted Deputy Commander Liu. The infantry squad of the contingency company of the Huaiyuan County Militia from Bangbu City had started the lightweight, multi-requirement, precision

firing drill. In less than 15 minutes, these young soldiers completed precision firing with semi-automatic rifles at targets at 200 m and 100 m in range, suppression firing with heavy machine guns at hole-bearing targets at a range of 150 m, and knockout strikes with 4-0 rocket launchers at dummy tanks 100 m away. The results were all excellent. They were militiamen with skills in different tasks and showed what it meant by being multitasked with expertise in specialized areas.

The Hefei City Militia contingency battalion rounded up the show. They reported a total of six activities: calling up and the concentration of the entire battalion, hand-to-hand combat, firing with semi-automatic rifles at different parts of dummy human targets, baton and shield drills and anti-riot battle formations, combined drills, and motorbike maneuver under complicated conditions. Under this year's pilot programs, the Hefei City Militia contingency battalion spent successively a total of one million yuan acquiring radio communications equipment, command vehicles, motorbikes, anti-riot gear, and uniforms and insignias. They basically met the requirements of practical spending and having a rational structure on a suitable scale and complete range of equipment.

Before our eyes, motorbikes one by one sped through fire rings, over earthwork, and across narrow wooden bridges, the men on the bikes hitting their targets with their guns, never missing one. A neat and uniform anti-riot block made up of 80 people moved and changed shapes, making loud war cries.

The exercise had ended. Lieutenant General Yan Zhuozhong, deputy commander of the military region, walked down the podium in brisk steps and inspected the formations, the soldiers in them all in fatigues and high spirits.

Even his stern face could not hide his satisfaction. He said, "With efforts from all sectors and ranks, the contingency detachment of the Anhui Provincial Militia has developed into a certain scale. The detachment has been quick in improving its military and political quality and has considerably increased its preparedness. It has played the role of a crack troop in various emergencies. With such a tough force as yours, we are doubly assured!"

As soon as the general finished his remark, soldiers shouted from the bottom of their eager hearts, "Train hard, always be extremely vigilant, respond when ordered, and meet the high expectations!" The oath echoed and bounced around above the practicing ground. Vermilion battle flags were flying even more brightly and briskly.

PRC: Xingxin's Shizuishan City Executes Criminals
SK1606084296 Yinchuan NINGXIA RIBAO
in Chinese 3 Jun 96 p 1

[By Correspondents Wang Huanzhang (3769 3562 4545) and Wu Jianmi (0702 1696 3046)]

[FBIS Translated Excerpt] On 30 May, the Shizuishan city and its districts and counties held open trials, handing down death sentences and immediate executions to Zhang Jingfu, guilty of stealing firearms and robbing and killing people; Ma Xinhua and Liu Jingui, guilty of premeditated homicide; Wang Xinming, guilty of causing fatal injury; and burglar Meng Xianghai. Robber and burglar Zhang Liangzhong was sentenced to death, with a two-year suspension of execution. A number of criminals were sentenced to prison terms. Some other criminals were arrested and put into reformatories. [passage omitted]

PRC: Heilongjiang Executes 14 Criminals
SK1606050096 Zhengzhou HENAN RIBAO
in Chinese 4 Jun 96 p 1

[By Lu Aizhe (0712 1947 0772), Wu Tiejun (2976 6993 6511), and reporter Wang Xuemei (3769 7185 2734)]

[FBIS Translated Excerpt] The Provincial Higher People's Court publicized on 31 May the judgments of Harbin, Jiamusi, Daqing, Suihua, and Qitaihe Intermediate People's Courts concerning seven especially serious cases of homicide, robbery, rape, illegal buying and selling of firearms and ammunition, and burglary. The 14 prime culprits were respectively sentenced to death and executed by shooting. [passage omitted]

PRC: Henan Executes Five Criminals
SK1606042796 Zhengzhou HENAN RIBAO
in Chinese 4 Jun 96 p 1

[By Wei Jian (7614 0494) and Chen Haifa (7117 3189 4099)]

[FBIS Translated Excerpt] Reporters were informed on the morning of 3 June by the Provincial People's Higher Court that Zhan Guishi, Sun Chuanjin, Zhang Zhankun, Yang Taifa, and Chen Boqing, guilty of intentional homicide of and abducting and selling children, were executed, respectively, by shooting in Luoyang and Xinyang on 31 May and 3 June with the approval of the provincial people's court. [passage omitted]

PRC: Beijing Launches Campaign To Seize Illegal Firearms

SK1506093796 Beijing BEIJING RIBAO in Chinese
7 Jun 96 p 1

[FBIS Translated Text] To further advance the crack-down struggle in depth, strike blows to armed criminals, and check the overflow of illegal firearms, the municipality has developed a struggle seizing illegal firearms starting from 1 June.

In recent years, armed crimes happened from time to time in our municipality, becoming one of the most conspicuous problems seriously endangering the capital's public security. The spread of illegal guns brought great harm to the public security and shocking [chu mu jing xia 6051 4158 7528 1800] losses to the state, collectives, and the people.

To seize illegal firearms is the will of all the people. In past years, public security organs have thrown a lot of force into confiscating some illegal firearms and cracking down on some gun-related cases. However, the flow of illegal firearms into the city was through various channels, so the hike in gun-related crimes was not checked at the root. It has been proved that to

rectify the firearms peril and strict management over firearms, we should depend on the concerted efforts of the whole society and on measures of comprehensive public security management.

Actively coordinating with public security organs to develop the seizure of illegal firearms is the responsibility, as well as the duty, of all citizens of the capital. Public security organs hope every citizen can give his full support and fight with all kinds of gun-involved crimes by taking the initiative to expose and provide related clues. On the other hand, public security organs also hope all people holding illegal firearms can turn them in in an active and prompt manner so as to be dealt with leniently or even exempted from punishment. Those criminals guilty of armed robbery and homicide should immediately stop their evil doings. Giving themselves up is the only way out.

It is reported that in the act of seizing firearms and ammunition, the deadline for voluntarily turning them in is 30 June. Those failing to turn in the firearms they possess by the deadline will be strictly punished according to the law.

General

FRC: Vice Premier Meets Motorola Visitors

*OW1706090096 Beijing XINHUA in English
0851 GMT 17 Jun 96*

[FBIS Transcribed Text] Beijing, June 17 (XINHUA) — Chinese Vice-Premier Li Lanqing encouraged Motorola Company of the United States to further its cooperation with China here today.

During his meeting with Chris Gelven, chief operation officer of the company, the vice-premier also spoke highly of Motorola's one-decade efforts to conduct cooperation with China.

After giving a briefing on Motorola's operation in China, Gelven expressed that his company will expand its Chinese market share in the future through adding investment.

Gelven and his party are here at the invitation of the municipal government of Tianjin, the largest industrial city in north China.

It was learned that Motorola has invested over one billion US dollars in Tianjin to establish Motorola China Corporation, the largest foreign-funded business in the city. Last year, the sales and exports of this Motorola's China affiliate were valued at 800 million and 273 million US dollars, respectively, and its total investment will reach 1.2 billion US dollars by the year 2000.

FRC: Jiang Reportedly Urges Banks To Assist State Enterprises

*NK1806063796 Hong Kong MING PAO in Chinese
23 May 96 p A8*

[Report by special correspondent Lin Tung (2651 1749): "Jiang Zemin Urges Banks To Assist State-Owned Enterprises"]

[PTS Translated Text for FBIS] Given that the reform of state enterprises has achieved little success, China's microeconomy will continue to be grim. The Chinese Ministry of Labor has confirmed that the unemployment rate on the mainland in the first quarter of this year rose by 10.4 percent over the same period last year. Sources said: Early this month, CPC General Secretary Jiang Zemin led officials from both the State Economic and Trade Commission (SETCO) and the central bank to conduct investigations and studies again on state enterprise reform in Shanghai. After that, Jiang indicated that the banking system must increase its support for state enterprises and improve relations between banks and state enterprises, while SETCO must take emer-

gency measures to assist enterprises in financial difficulty, and that all provincial, party, and government officials should see clearly from the political viewpoint the importance of the success or failure of state enterprise reform.

Central Bank Immediately Responds to Jiang's Call

Soon afterwards, the People's Bank of China (PBOC) made a decision on improving banking services for state enterprises. PBOC President Dai Xianglong, Vice President Chen Yuan, and other officials then left for Hubei, Yunnan, and other regions to conduct investigations and studies, demonstrating their active posture in their participation in state enterprise reform. Dai Xianglong proposed that the bank increase its support for state enterprises in many respects, including establishing a lead bank system, promoting syndicated loans, appropriately concentrating lending activities for large and medium-sized enterprises in the head office, and improving its branches' settlement business.

Nevertheless, state enterprises simply hope to have the bank's support to alleviate their shortage of circulating funds and for the writeoff of their huge bad debts in the process of bankruptcies and mergers. In response to this, Chen Yuan said in Yunnan: Capital shortfalls at state enterprises are a common question across the country. This year China continues with a moderately tight monetary policy. But within the range of credit growth as a whole, the bank will do its best to support enterprises that yield good benefits but suffer money shortages. The bank has to actively coordinate with and participate in enterprise reform, particularly in massive investigations in the process of enterprise mergers and bankruptcies. If confirmed uncollectible, some bad loans can be written off in accordance with regulations. But the bank must conduct strict examinations before approving the writeoff.

SETCO Extends Helping Hand

SETCO, the Ministry of Labor, and other departments also formulated emergency countermeasures to assist cash-strapped enterprises. These countermeasures include ensuring basic necessities and launching self-help production projects. The authorities require that any enterprise that fails to pay its employees within a normal period of time may open a "wage reserve account" with a bank after securing approval from a local labor department, enterprise management, and the bank. The bank commissioned by the enterprise will transfer part of the proceeds of its sale to this account to ensure that its employees will receive the minimum wages.

Enterprises that suffer longstanding losses and are unable to pay their employees should adopt the method of

"bearing burdens" through financial subsidies, readjusting enterprise management, and bank loans to ensure their employees' basic needs. Employees in ailing enterprises who have participated in an unemployment insurance fund may receive relief payment for a period of time after securing approval. Employees who meet the civil relief standard may enjoy social assistance grants in accordance with stipulations.

Slash, Exempt Income Tax for Three Years

With regard to encouraging financially troubled enterprises to launch self-help production projects, the authorities have also broken "precedent" by providing certain policy preferences. For instance, ailing enterprises that run service-type independent economic entities and collective shareholding labor services companies may apply to the Ministry of Labor for funding. The Ministry of Labor will provide them support or interest-bearing loans from the unemployment insurance fund and will reduce and exempt their income tax for three years.

Ailing enterprises may apply to the Ministry of Labor for subsidies from the unemployment insurance fund for training their "redundant" (underemployed) workers who have to change careers. These enterprises may pay their employees settlement allowances for looking for other jobs themselves. "Redundant" employees are allowed to engage in other paid jobs.

PRC: Industrial, Commercial Bank Pledges State Sector Support

*OW1406150396 Beijing XINHUA in English
1416 GMT 14 Jun 96*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — China's largest bank, the Industrial and Commercial Bank of China (ICBC), will continue to back the country's cash-strapped state-owned industries and lean especially more towards large and medium-sized enterprises, a senior official of the bank has pledged.

"Direction of fixed-asset investment loans will be readjusted, leaning more towards the infrastructural sectors of power, post and telecommunications, and transportation," the official said of the bank's loan priorities in the future.

He said, however, that new loans must be made with strict regulations and the proportion of credit loans will be reduced.

Statistics show that ICBC has extended a total of 392.4 billion yuan (about 46.7 billion US dollars) in fixed-asset investment loans over the past 16 years, with more than 90 percent directed to the state-owned sector.

The loans have supported 155,015 technological renovation and capital construction projects, the official said, adding that economic benefits from the projects include 2.83 trillion yuan in output value, and 418 billion yuan in profits and taxes.

By the end of last year, the bank had 244.5 billion yuan in outstanding loans for fixed-asset investments, the official said.

PRC: Official on Measures To Tackle Hazards in Three Gorges Area

*OW1606083596 Beijing XINHUA in English
0757 GMT 16 Jun 96*

[FBIS Transcribed Text] Beijing, June 16 (XINHUA) — An official with the Ministry of Geological and Mineral Resources said today that China is losing no time in harnessing geological hazards in the Three Gorges reservoir area to guarantee the navigation on the Chang Jiang River and the safety of local towns.

The official stressed that geological hazards, such as possible landslides and rockfalls, will not pose threats to the dam and reservoir of the Three Gorges Project, the world's largest water-control scheme.

Li Lierong, director general of the Geology and Environment Management Department of the Ministry, told XINHUA that the projects of harnessing Huanglashi landslide and Lianziya deformed rock mass are expected to be completed by the end of next year.

Huanglashi and Lianziya pose the most serious threats to the reservoir area among all the dangerous geological hazards, which are 64 km upstream and 25 km from Sandouping, or the dam site, respectively.

The State Council, China's highest governing body, attached great importance to the two sections. In 1992, it asked the ministry to take charge of their prevention and control.

Excessive rainfall is the major factor leading to landslides. To prevent the revival of Huanglashi landslide, the ministry has completed a water drainage project on the ground. Nearly 20 channels with a combined length of 7,000 meters have been dug to discharge water, the official said.

"The project proves to be effective because it stood the test of last year's high-water season," he said.

Workers have also built underground facilities to drain out water inside the landslide body, Li said, adding that the ministry is now keeping a close watch on Huanglashi.

Lianziya (Chain Cliff), over 100 meters high, consists of limestones. Since the Ming Dynasty (1368-1644), local people began to cut coal at the foot of the cliff. These factors and the excessive rainfall have torn the cliff apart, turning it into a deformed rock mass. There are over 30 fissures, which can be several hundred meters long and several meters wide. To deal with possible rockfalls from Lianziya, workers are using steel ropes to bind the separated rocks together. They have erected a scaffold over 60 meters high for the drilling machines, which looks "very spectacular," Li said.

Apart from Huanglashi and Lianziya, the ministry, in cooperation with other relevant departments, has also carried out research on, and tackled a number of geological hazards, such as Erdaogou in Badong County, over the past decades.

Li stressed that landslides and rockfalls will not affect the construction of the Three Gorges dam and reservoir. Experts have calculated that even a landslide or rockfall close to the dam slips into Chang Jiang in the worst condition, the wave would only rise another 2.7 meters high at the dam site, posing no threats to the dam or other building structures.

In the reservoir area, geologists have discovered a total of 2.9 billion cubic meters of dangerous landslide bodies or rockfalls. Supposing all of them slip into the river at the same time, they will be of little significance because the reservoir will have a holding volume of tens of billions of cubic meters.

Landslides or rockfalls can only bring difficulties to navigation or affect safety of nearby towns, he explained.

The Three Gorges Project, which started in 1993, is expected to be completed in 2009. Its dam will be 185 meters high, holding water as high as 175 meters. In the first stage of the project, China plans to dam the river by the end of next year.

PRC: Non-State Enterprises Active in Three Gorges Project Work

OW1606140796 Beijing XINHUA in English
1329 GMT 16 Jun 96

[FBIS Transcribed Text] Wuhan, June 16 (XINHUA) — More than thirty entrepreneurs from non-state enterprises nationwide have signed contracts for over 60 aid projects in the reservoir areas of the Three Gorges. The total investment adds up to 1.7 billion yuan.

The reservoir areas are rich in mineral resources, which constitute ideal sites for drawing investments, particularly from the non-state enterprises.

To boost investment, the government has organized groups of entrepreneurs from non-state enterprises to conduct on-the-spot investigations in the reservoir areas.

To date over 3,000 non-state enterprises have put in 2 billion yuan in the reservoir areas.

Hope Group from southeast China's Sichuan province, the country's largest non-state enterprise, has invested 250 million yuan to undertake the largest agricultural project in the reservoir areas, according to Zhen Wantong, deputy-head of the United Front Work Department of the CPC Central Committee, who was leading an inspection group there.

However, the largest non-state investor in the reservoir areas is Zhao Zhangting from Yichang city of central China's Hubei province, the site of the Three Gorges Project, who invested 600 million yuan in the aid items.

PRC: State Council Executive Conference Passes Draft Coal Law

OW1406154496 Beijing XINHUA in English
1404 GMT 14 Jun 96

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — China today drafted a coal law to regulate coal development and production, and to ensure the healthy development of coal-related businesses.

At today's 46th executive conference of the State Council, which was presided over by Premier Li Peng, a draft of the law was discussed and passed in principle.

The new draft, China's first of its kind, is designed to help reasonably explore coal resources, regulate coal production and businesses, and ensure the steady and successful growth of the industry.

It includes 65 articles and nine chapters on coal regulations, coal mine construction, production and security, coal businesses, mine protection, supervision, examinations and legal responsibilities.

It was said at the conference that the coal sector is one of the basic industries which plays an important role in the nation's economy, and that the industry has seen rapid development since the reform and opening to the outside world.

But fast growth brings problems that need to be solved, according to the council.

It was decided at the conference that following revision, the draft law will be submitted by the State Council to the National People's Congress Standing Committee for discussion.

PRC: Notice on Tightening Control of Civil Coal Market*OW1406165296 Beijing XINHUA in English
1557 GMT 14 Jun 96*

[FBIS Transcribed Text] Beijing, June 14 (XINHUA) — China is tightening the reins on its civil-use coal market to ensure the nation's coal supply.

Five governmental departments, including the Internal Trade Ministry and the State Planning Commission, recently issued a joint notice requiring the strengthening of coal market management and ensuring the coal supply for civil use, especially in winter.

Sources said China consumes more than 200 million tons of civil-use coal each year, accounting for 80 percent of the energy required for civil use.

The notice asked all provinces, regions and cities to give full play to the state-owned coal sales networks and re-register those companies which are engaged in coal sales.

It also urged strengthening measures to supervise and control the coal's quality, measurement and prices, and to fight against any extra charges, counterfeit and cheating practices related to coal or coal prices.

The notice asked that a civil-use coal deposit and pricing foundation be formed in an effort to provide reasonable coal storage and to readjust coal prices.

It required the coal mines, railway and communications departments to strengthen cooperation to ensure the state plan for the coal supply.

PRC: Central Institutions Issue Document on Trade Unions*OW1706150196 Beijing XINHUA Domestic Service
in Chinese 0729 GMT 13 Jun 96*

[By reporter Han Zhenjun (7281 2182 6511)]

[FBIS Translated Text] In the pilot schemes of establishing the modern enterprise system, should the workers' democratic management system be maintained? Recently, the National Federation of Trade Union, the State Economic and Trade Commission, and the State Commission for Economic Restructuring jointly issued a document, and answered this question positively.

The document jointly issued by the three institutions was entitled "Opinion on Trade Union Work and Workers' Democratic Management in the 100 Enterprises Designated by the State Council for the Pilot Schemes of Establishing the Modern Enterprise System." It pointed out that in the course of enterprise reorganization, trade unions must not be disbanded for any reason or be

merged into other departments. The trade union work and the workers' democratic management system should be strengthened and improved in the process of carrying out the pilot schemes. Trade unions at all levels should take an active part in the experimental reform of the enterprise management system, join hands with other departments in properly solving various problems appearing in the course of enterprise restructuring, establish harmonious and stable labor relations, enhance the quality of the work force, and fully play their role in promoting enterprise reform and development.

The workers' democratic management system, including workers' congresses, used to play an important role in the development of state-owned enterprises. It should be maintained and improved in the course of establishing the modern enterprise system. It is also necessary to explore new forms of workers' democratic management. The "Opinion" stipulates that workers' congresses in the enterprises involved in the pilot schemes should have the right to obtain and discuss the development plans and major production and operation plans and policies of the corporations; to express their opinions and come up with proposals; to discuss and approve collective labor contracts; to consider and decide the plans for using the public welfare funds of the corporations; to evaluate and supervise the work of directors, managers, and other senior management personnel of the corporations; to raise proposals on awards and penalties; and to elect and change worker representatives to the board of directors and the council of supervisors.

The "Opinion" requires that positive conditions be created by the enterprises in the pilot schemes for gradually establishing a system for equal consultations and collecting contract signing between the trade union and the enterprise management according to the principle of acting according to the established rules and regulations, equal cooperation and consultation, and maintaining the normal order of production and operation. The corporations cannot unilaterally terminate the labor contracts with worker representatives involved in collective consultation or transfer them to posts unfavorable to their trade union functions for a period of five years except that they commit major mistakes.

The "Opinion" also requires that the election of worker representatives into the board of directors and the council of supervisors in the enterprises involved in the pilot schemes be properly arranged, and a corresponding working system be established.

**PRC: HK Airlines To Benefit From Liberalization
In Air Rights**

**HK1806064096 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
15 Jun 96 pp 1, 3**

[By staff reporter]

[PTB Transcribed Text for FBIS] Hong Kong's two major airlines will benefit significantly from a new agreement substantially liberalising air traffic rights in China.

Under the terms of the agreement Hong Kong Dragon Airlines will be allowed a range of new scheduled services to China, while Cathay Pacific Airways will gain mainland fly-over rights.

The talks between China and Britain which proposed the new arrangements concluded on Thursday after four days of discussions. Hong Kong was represented on the British side by the Economic Services Branch. Details of the pact have been made public just days after Cathay shareholder approved the historic deal that will see a dramatic restructuring in the ownership of both Cathay and Dragonair.

The Beijing-based conglomerate Citic Pacific has given the go-ahead to raise its stake in Cathay from 10 per cent to 25 per cent, in a move which saw Swire Pacific's stake reduced to just under 44 per cent from 52.6 per cent.

Swire/Cathay and Citic also sold a total of 35.9 per cent of Dragonair to the China National Aviation Corporation.

Under the terms of the Sino-British agreement, it appears Dragonair will be the big winner.

The airline has not been able to obtain any new routes or capacity in China over the last two years, despite its open desire to expand on the mainland and a 20 per cent growth in the mainland air market over the period.

Dragonair will now be granted five new mainland routes and also will obtain an increase in capacity on the Hong Kong to Dalian route, in the wake of the change of its ownership structure.

Both Cathay and Dragonair will be winners from the provision which will allow Hong Kong airlines to fly over China on their major services to Hanoi, Europe and North America.

Cathay is likely to be particularly boosted by this provision, because of its broad range of international routes and the shortened flight time it will now encounter to these destinations.

Cathay has welcomed the outcome of the Britain/China talks. Its managing director, Rod Eddington, said in

a statement the agreement was "a balanced one with something for all parties".

Ultimately, the increased fly-over rights would provide "an improved service to Cathay Pacific travellers".

British Airways will also benefit from new over-flying rights in China, but has been knocked back in its bid for landing rights in Shanghai. A Government spokesman yesterday said the full details of the package could not be unveiled due to "commercial sensitivities".

However, he said the overall package was a good one, allowing Hong Kong airlines to provide new and better services to the public.

**PRC: State Firms in Chang Jiang Region Titled
'Well-Managed'**

**OW1706111196 Beijing XINHUA in English
1105 GMT 17 Jun 96**

[FBIS Transcribed Text] Shanghai, June 17 (XINHUA) — The state-owned, foreign-funded and township enterprises in the Chang Jiang River Delta area have experienced rapid development in recent years due to geographic and various other advantages.

The Chang Jiang River Delta in east China, one of the most flourishing areas of the country, includes economically prosperous regions including Shanghai, Jiangsu and Zhejiang.

State-owned enterprises in Shanghai are well-managed compared to those in other parts of the country; the township enterprises in Jiangsu Province are so strong that they contribute half of the province's economy, and the private economy continues to grow swiftly in Zhejiang province.

In 1995, Shanghai's gross industrial output value reached 525.3 billion yuan, 37.5 percent of which was scored by its 2,200 state-owned enterprises, 26.6 percent by foreign-funded firms and 35.9 by township enterprises and private sector.

Jiangsu has 920,000 township enterprises, which recorded a gross industrial output value exceeding 800 billion yuan last year, accounting for 55 percent of the province's total.

Zhejiang province, whose industrial base used to lag far behind, is catching up with the rapid development of township enterprises and private economy.

In 1995, the province generated a total industrial output value of 828.4 billion yuan, of which 562.9 billion yuan came from township enterprises.

Reports said that more and more enterprises in the delta area are getting investment from various economic sectors, while the number of enterprises belonging to a single economic sector is declining.

Northwest Region

PRC: Gansu Higher People's Court Work Report
SK1805130696 Lanzhou GANSU RIBAO in Chinese
17 Feb 96 p 4

["Excerpts" of the Gansu Provincial Higher People's Court work report presented by Wang Shiwen, president of the provincial higher people's court, at the Fourth Session of the Eighth Provincial People's Congress on 6 February]

[FBIS Translated Text] During the past year, under the leadership of the provincial party committee, the supervision of the provincial people's congress, and the guidance of the Supreme People's Court, all levels of people's courts in the province have persisted in following the theory of Comrade Deng Xiaoping on Building Socialism With Chinese Characteristics and the basic party line; honestly fulfilled the requirements stated in the constitutions and the duties entrusted to them by law; generally enhanced the various forms of judicial work; and brought their functions into full play. They have also made a positive impact on maintaining political and social stability and promoting reform, opening up, and economic development. Cases concluded at the first trial or second trial, or after retrials totalled 105,279 cases, an increase of 25.35 percent over the previous year.

I. Tasks Concerning the Trial of Criminal Cases

The principle of succeeding in promoting both material and spiritual civilization simultaneously was insisted upon by the province's courts so as to further strengthen their judgment function and enhance their trial and sentencing tasks in dealing with criminal cases. There were 10,392 criminal cases accepted for first trial last year, a decrease of 5.5 percent from the year before; and 10,104 cases, or 97.2 percent, were concluded. A total of 11,610 criminals were tried and sentenced. Among them, 4,766 people were sentenced to over five years of imprisonment, life imprisonment, and death (including suspended death sentences), accounting for 41.1 percent of the total; 6,597 people were sentenced to less than five years of imprisonment, to criminal detention, and to surveillance, accounting for 56 percent; 1.5 percent were exempted from criminal punishment; and 0.6 percent were acquitted.

(1) Seriously crack down on criminals who severely threaten social order and maintain social stability with an all-out effort. During the year, the courts in the province unwaveringly followed the principle of dealing severe and prompt blows in cracking down on criminal activities that endangered the social order. Criminals such as those who committed murder, robbery, rape,

train and highway robbery, or thugs, especially gangs associated with organized crime, were harshly punished according to the law. First, guidance was increased to maintain the trend of cracking down on crimes. The province's courts promptly organized a force to investigate why there was a decline in criminal cases received and provide stronger guidance. Second, the crackdown was focused on important cases and major and serious cases were tackled. In view of the relatively conspicuous train and highway robberies, especially armed robbery and serious theft, actions were taken to focus on punishing these kinds of crimes along the railway, major transportation routes, and cities. Third, the experience was concluded, with the existing problems being resolved and the battle continuing. The provincial court held a provincial criminal case judgment work symposium last August to summarize the experience gained in the past five years and came up with some proposals to improve the quality of handling cases. A total of 6,012 criminals who severely endangered the social order were tried and sentenced last year. Among them, 3,981 people were sentenced to over five years of prison terms, to life imprisonment, and to death (including suspended death sentences), amounting to 66.2 percent of the total. In trying criminal cases, all levels of courts placed special emphasis on providing concrete evidence in cases involving death sentences to prevent passing light sentences on severe crimes or executing the wrong person.

(2) Energetically develop special struggles to deal severe blows to crimes such as illegal drug dealing and stealing. There were 1,051 drug related cases received, a decrease of 12.6 percent from the previous year. However, the number of major cases increased. A total of 1,216 people were tried and sentenced. Among them, 808 people were sentenced to over five years' imprisonment, accounting for 66.4 percent of the total. The number of approved death sentences (including suspended death sentences) increased by 26 percent. In order to frighten criminals, the collective sentencing method was adopted in different localities. During the "26 June" international drug ban period, Lanzhou, Tianshui, Linxia, Jiuquan, and other areas joined together to execute the 23 drug criminals who were previously sentenced to death. A total of 3,777 stealing cases were tried and concluded last year and 6,777 people involved in stealing were sentenced. Among them, 939 cases or 2,093 people were indicted for serious stealing charges. Criminals who were involved in stealing especially large sums of money, especially when serious plots were involved, were sentenced to death. In the meantime, all levels of courts also energetically participated in the special struggles against pornography and illegal publications, in stamping out kidnapping of women and

children, and in dealing blows to vandalism on transportation, telecommunication, and power generating facilities. Each struggle yielded notable results.

(3) To maintain economic order, severely punish criminal activities that have seriously damaged the economy. Cases concluded at the first trial totalled 605, and 452 prisoners were sentenced, decreasing by 5 percent and 23.1 percent respectively over the previous year. Economic losses recovered amounted to 12,563,700 yuan. In order to promote honest administration, all levels of courts took punishing government employees who committed corruption, bribe-taking, and other related crimes as their key task. Some 153 trials that involved corruption and bribe-taking were completed, and 179 criminals were sentenced. In the struggle to crack down on economic crimes, crackdowns on the major cases were taken as the crux in winning the fight. Therefore, efforts were meticulously organized to try and handle these cases. Among the criminals sentenced in 1995, 168 people committed crimes involving over 10,000 yuan, and 5 were cadres at the county or section level.

(4) Energetically participate in comprehensive social order management to help reduce and prevent crimes. All of the courts in the province took part in the second five-year plan for education on laws, held public trials, and discussed application of the law in each case; stepped up publicity campaigns and stressed judicial proposals; strengthened management and education of those sentenced to surveillance and probation and those exempted from punishment and insisted on visiting and inspecting them; and persisted in the principle of providing education, rehabilitation, and saving the young offenders. All these contributed positively to the maintenance of social order. In 1995, 5,541 people had their sentences reduced according to the law and 1,347 people were placed on bail.

II. Tasks Concerning the Trying of Economic Cases

In 1995, the province's courts continued to vigorously expand the trial and sentencing work on economic cases and achieved relatively great progress in serving economic development. The main characteristics were: first, the number of cases increased on a large scale. A total of 29,482 cases of economic disputes underwent their first trial in 1995, an increase of 52.3 percent over the previous year. Second, the amounts involved in the legal cases were large. The total amount of money involved in the cases in the legal proceedings totalled 1.729 billion yuan, an increase of 27 percent over the previous year. Third, many new kinds of crimes were incurred. With the gradual establishment of the market economic system, numerous new economic crimes occurred, such as crime cases involving mergers,

bankruptcies, financial stock, financial bonds, coupons, agents, trusts, share transfers, leasing and financing, overdraws credit card disputes, as well as economic disputes involving overseas countries or Hong Kong, Macao, and Taiwan. In order to meet the demand of the new situations, focus was placed on gripping the following tasks:

(1) The service concept was heightened and the service scope expanded. First, the ideology of serving economic development was firmed up. Instead of waiting for cases to come, the courts took an active attitude to serve. Instead of ignoring what was happening if no one filed a lawsuit, the courts expanded their efforts to gather more cases. On the other hand, the management of economic trials was standardized. The courts met the strict requirements for exercising jurisdiction in their levels and regions according to regulations. High-handed measures were not allowed to be used abusively. Putting someone into illegal custody to force people to pay back their debts was absolutely not permitted. Second, attention was paid to efficiently handling cases. The economic cases brought to the courts for legal proceedings were registered and tried quickly. The economic performance of case handling was fully attended to. Third, the governing procedures and the public informative procedures stated in the Civil Procedural Law were fully utilized to help the creditors. Fourth, the enterprises were assisted to strengthen the development of their legal system. An experience exchange meeting for the economic and judicial liaison men in the province was called last September. A number of liaison men and advanced units that had demonstrated excellent performances were commemorated and rewarded.

(2) The regulatory, control, and guidance functions of the economic trials were brought into full play. Cases that were related to deepening enterprise reform, market order, and economic development were tried meticulously. The first issue was to continue to serve the banking department by developing special trials. Some 5,334 cases regarding money borrowing contracts were received and 5,196 such cases were completed. A total of 230 million yuan of overdue debts was recovered for the banks, trust companies, and investment departments. The second issue was to properly try the credit dispute cases that were interfering in the production development of the enterprises. Some 4,362 dispute cases concerning purchasing and selling among enterprises, project contracts, processing contracts, leasing of properties, and warehousing were completed. A total of 370 million yuan was collected on behalf of the enterprises. The third issue was to energetically try and handle contracting, joint venture, leasing, bankruptcy, and merger cases for enterprises. Thus, the change in the enterprise

operating mechanism and establishment of the modern enterprise system were promoted. Fourth was to properly handle the 112 contract dispute cases in rural areas. At the same time, some economic dispute cases involving a number of township enterprises were also tried and handled. Hence, rural economic development was advocated. The fifth issue was to try and handle 129 cases involving technology contract disputes and patent or trademark encroachment according to the law. Protection for intellectual property rights was thereby enhanced. The sixth issue was to seriously try and handle economic dispute cases involving foreign countries, Hong Kong, Macao, and Taiwan. In trying the aforementioned cases, special attention was paid to the handling of collective litigation and modern crime cases.

[FBIS Translated Text] (3) The enforcement work was intensified and improved. Some 22,862 enforcement cases, involving a total of 280 million yuan, were received in 1995. The result of the enforcement work was the best in recent years. At the moment, although the problems with enforcement have eased off quite a bit, they still exist. Protectionism is still very serious in certain areas. They have not only failed to help and support but have even boycotted law enforcement. Some involved parties have gone into hiding, relocated the assets, and avoided enforcement of the law. Some involved parties have even ignored the law. They have attacked and beat up enforcement personnel and resisted law enforcement.

III. Trials and Sentencing of Civil and Administrative Cases

(1) Civil relations have been regulated according to the law. The legal rights of the citizen and legal person were protected. Under the new situation, many new characteristics developed during the trial and sentencing of civil cases: (i) As legislation for civil matters improved, a series of new laws were introduced one after another. For example, the new laws included the law to protect consumers' rights, the housing and real estate management law, the labor contract law, the law to protect woman's rights, the law for publishing rights, the quality law, the compensation law, and so on. The scope for litigations continued to expand. (ii) The number of civil cases increased on a large scale. The trial and sentencing workload for the courts became very heavy. There were 41,354 civil cases finished at the first trial in 1995, an increase of 11.5 percent over the previous year. (iii) The structure of the cases was changing. The number of divorce cases was still on the rise. The number of cases involving debt, compensation, housing, and real estate disputes continued to increase. (iv) The number of modern

crimes increased. Cases involving problems with special technology and knowledge were increasing all the time. The difficulties in trying such cases became increasingly serious. In dealing with the trial of civil cases, the first issue was to pay attention to learning, implementing, and practicing of the new laws so as to guarantee the quality of work in handling cases. The second issue was to enhance the guidance for trying and sentencing. The experience in the reform of the trial style was promoted so as to improve the efficiency with which cases are handled. The third issue was to strengthen the work done in the people's courts. The fourth issue was to do a good job in the trial and handling of cases. Through the proper trial and handling of cases such as marriage, family, debt, compensation, and so on, the violations of civil laws were punished. The legal rights of the citizens were protected, contradictions were resolved, and social stability was maintained. By enhancing the trial and handling of housing and real estate cases, projects to transform cities and widening roads were able to be carried out smoothly. In trying the modern crime cases such as cases concerning authors' rights and reputation rights, the responsibilities and the rights and wrongs were distinguished correctly. Hence, the personal and property rights of the citizens and legal persons were protected. Control exercised by proper public opinion was supported. In trying cases concerning consumers' rights, illegal conduct such as trademark infringement and manufacturing of substandard products were punished according to the law. This way, the rights of numerous consumers could be protected and the circulation order of merchandise was maintained.

(2) The work to try administrative cases was heightened to promote development of the administrative and legal system. There were 496 administrative cases received in 1995, an increase of 3.3 percent over the previous year. Among them, 32.5 percent were settled with the decisions of the administrative organizations maintained; 27.3 percent were settled with the decisions of the administrative organizations dismissed or changed; 23.3 percent were revoked; 7.5 percent were handled with prosecution dismissed; and 9.4 percent were handled through other measures. During the trial and sentencing of the administrative cases, not only were the legal rights of the citizens, the legal persons, and other organizations protected according to law, but the statutory enforcement rights of the administrative organizations according to the law were also protected and supervised. Through this, some problems that were argued about for a long time, had a large impact, and were hard to resolve were then resolved.

IV. On Supervision of the Trial and Sentencing Work

The main content of the supervision of trial and sentencing was to heighten the work in appeal and retrial. There were 78,022 complaint visits and letters received and handled during the year. Some 5,291 appeal cases and applications for retrial were handled. Cases that were wrongly judged originally were then corrected according to the law. Replies to unreasonable appeals and applications for retrial were carefully prepared to convince the complainants to agree to the original decision and withdraw their appeals.

Strengthening inspection of law enforcement was an important measure in protecting strict law enforcement. Due to the fact that certain case officers were not of high quality or were affected by protectionism, some cases were handled carelessly, poorly, or judged unfairly. In order to deal with this problem, the inspection force on law and discipline enforcement was enhanced. On the one hand, all levels of courts were urged to improve their internal management systems. The courts were required to maintain the power to carry out independent trials and judgments according to law. The quality and efficiency of trials and judgments continued to be improved. On the other hand, problems such as not obeying the law, not enforcing the law strictly, not affixing legal responsibility to criminals, abuses of power, and so on were resolutely corrected so as to ensure that the law was strictly enforced. In order to enhance the macro guidance of the trial and judgment work, the provincial court established a few standard documents. "The temporary regulations for affixing material responsibility" had already been tried out for two years and certain positive results were achieved.

V. Self-Reform and Development of the Courts

(1) The style of the trial process was reformed. The first issue was to enhance court trials to give both plaintiff and defendant a chance to give their statements in court and give all evidence in court. The judge would then examine and decide on the validity of the evidence and give a decision in court. The second issue was to intensify the direct presentation in court. The facts were presented directly in court after the necessary preparation work was completed without all the unnecessary investigations, and a judgment was rendered according to law. The third issue was to increase the responsibility of the involved parties to give evidence. Besides the need for the judge to investigate for evidence with his position of authority, the involved parties were required to provide evidence to support their claims in the lawsuit and to conduct cross-examination. The fourth issue was to increase the

responsibilities of the collegiate bench and judging staff. This decreased the number of intermediate links and improved efficiency in trying cases.

(2) The contingent development was enhanced. First, the study of Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics; in-depth education in the world concept, life concept, and value concept; and the activity of learning from Kong Fansen enabled a number of advanced courts and excellent police cadres to emerge. Second, party organization was strengthened, and cadre exchange programs were started. A group of middle-aged and young cadres were selected to replenish the leading bodies. Third, the "Judge Law" was implemented, and system construction was enhanced. There were 1,003 police cadres taking part in the first judge qualified examination. Fourth, honest administration was promoted. Rectification was carried out with the "six bans" as the main content. Focus was placed on investigating those involved in accepting dinners or gifts, on favoritism, on unprincipled human relations, on money matters, and on other cases involving violations of law and discipline. Some 28 cases were registered and investigated last year and 14 people were punished. Fifth, education and training were improved. There were more than 1,700 students in the courts' spare-time schools. The provincial court also started two special classes accommodating 90 students in Lanzhou University and Northwest Political and Law College. There were six postgraduate students studying in the law faculty in Lanzhou University. Also, various legal training programs were offered to promote and improve the theory and professional quality of the police cadres.

(3) The people's courts and trial benches were strengthened. Some 10 new trial benches were established, 10 were under construction, and 94 people's courts completed construction in 1995. It was a record breaking year for the building of courts.

Fellow deputies, although the courts in the province obtained certain work achievements in 1995, deficiencies and problems still existed. The main ones were: When it came to emancipating minds and changing concepts, the various levels of courts were not considered to be doing enough to meet the demands of the current development. There were still situations where forces were not sufficient or quick enough to crack down on criminal activities. There was not enough emphasis on the regulatory function of the trial of economic, civil, and administrative cases in relations to the law. The important meaning of court reform was not deeply recognized, therefore, the reform force was not strong. The time spent on some cases exceeded the statutory time limit. The political and professional quality of the trial staff needed further improvement. There was not enough

funding for the handling of the cases. Transportation and communication equipment and facilities were inadequate. The operating conditions were underdeveloped.

VI. The Basic Ideas for the Work of the Courts for the Ninth Five-Year Plan Period and their Tasks for 1996

During the Ninth Five-Year Plan period, the guidelines for the people's courts are: Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics should be adopted as the guide. It is imperative to insist on the basic party line for the initial stage of socialism and on the basic principle of "grasping the opportune time, deepening reform, expanding the opening up program, promoting development, and maintaining stability" when promoting the various trial and judgment work in all facets. It is necessary to persist in enforcing the law strictly, enhancing the overall quality of the contingent, and improving law enforcement conditions. The self-reform and development of the courts should be further heightened. The trial and judgment functions should be brought into full play. Effective judicial protection should be provided to help actualize the Ninth Five-Year Plan and the long term targets for the year 2010.

This year is the first year to realize the Ninth Five-Year Plan and the targets for the struggles of the next 15 years. The new situation and tasks require the courts to have a higher starting point. The first issue, then, is to bring the function of dictatorship into full play. All the serious criminal activities must be dealt with severely. All-out efforts should be made to maintain social stability. The second issue is to bring the service function into full play. The work in trying economic, civil, and administration cases must be vigorously strengthened. Legal measures should be fully utilized to regulate economic relations. The legal rights of the citizens and legal persons should be protected. Socialist democracy and the legal system must be protected. Reform, opening up, and economic development must be promoted. The third issue is to continue the deepening of reform of the style in which courts conduct trials. This should also be used to propel reform in the many facets of the court management system. The fourth issue is to vigorously strengthen contingent development. A contingent of judges who are firm in their political stands, good at their work, strong in style, honest, and law-abiding, and who strictly enforce the law should be trained. The fifth issue is to upgrade the material equipment of the various levels of courts so as to make as much of an improvement in material construction as possible. This will ensure smooth progress for the trial and judgment work.

PRC: Ningxia Chairman Reports on Government Work

SK1406120296 Yinchuan NINGXIA RIBAO
In Chinese 6 May 96 pp 1, 2

[Report by Bai Lichen, chairman of Ningxia Hui Autonomous Region, on the outline for the Ninth Five-Year Plan for Ningxia Hui Autonomous Regional economic and social development and the long-term target for the year 2010, at the fourth session of the seventh Ningxia Hui Autonomous Regional People's Congress on 22 April]

[FBIS Translated Text] Fellow deputies:

In line with the guideline of the fifth plenary session of the 14th CPC Central Committee, the fourth plenary session of the seventh regional party committee put forward the suggestion on formulating the Ninth Five-Year Plan for Ningxia' economic and social development and the long-term target for the year 2010. According to this, the regional government has drawn up the "Outline of the Ninth Five-Year Plan for Ningxia Hui Autonomous Regional Economic and Social Development and the Long-Term Target for the Year 2010 (Draft)." On behalf of the regional people's government, I now submit a report on the "Outline (Draft)" to this session for your examination and approval along with the "Outline (Draft)" itself, and also for suggestions and comments from members of the regional Chinese People's Political Consultative Conference [CPPCC] Committee.

I. Significant Achievement Was Made in the Region's Economic and Social Development Over the Past Five Years

The Eighth Five-Year Plan period was the important period during which our region began to comprehensively establish a socialist market economic system. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the spirit of the 14th Party Congress as well as under the leadership of the party Central Committee, the State Council, and the regional party committee, people of all nationalities across the region successfully fulfilled various tasks set by the Eighth Five-Year Plan and laid a good foundation for comprehensively realizing the second-step strategic target.

Economic development was pushed to a new stage. In 1995, the region's GDP reached 17 billion yuan, registering an increase of 47.8 percent over 1990 and an average annual growth of 8.1 percent when calculated in comparable prices. Therefore, the target of quadrupling the 1980 GDP can be realized ahead of schedule in 1996. Though mountain areas were hit by serious drought for five years running, grain output still

amounted to 2.03 billion kg, an all-time high. The output of meat, poultry, eggs, milk, aquatic products, and fruit increased by a large margin. The total output value of township enterprises reached 5.7 billion yuan, increasing by 300 percent over 1990. Industrial added value increased by 60 percent over 1990, registering an average annual growth of 9.8 percent. Basic industries, such as energy and raw materials industries, were strengthened, and good progress was made in the construction of Liangwu mining area and the second-phase project of Daba power plant. A number of important capital construction and technical transformation projects were completed and put into operation. The output of major products, such as electricity, chemical fertilizer, cement, electrolytic aluminum, tires, bearings, and machine-made paper, increased by a large margin, and a number of superior enterprises surfaced in the course of market competition. The development of the tertiary industry was expanded, its internal structure was readjusted, and it registered an average annual growth of 10.5 percent. Local financial revenues in 1995 reached 898 million yuan, registering an increase of 1.3 times over 1990 and an average annual growth of 18.3 percent over 1990 when calculated in comparable prices.

Infrastructural facilities were significantly improved. Beojl-Zhongwei Railway and Daba-Guyaozi Railway were successively completed, and the region's railway transportation mileage rose to 850 km from 493 km. This created good conditions for our region and mountain areas, in particular, to open wider to the outside world and expedite development. Civil aviation was improved as the unitary air route, which caused inconvenience in entrance to and departure from Ningxia, was changed, and the construction of Hedong Airport in Yinchuan city was expedited. In the construction of highways, the framework for "three highways from south to north and five from east to west" took an initial shape. Our region's first first-grade highway and two bridges crossing Huang He were built, and main highways were upgraded and rebuilt. In post and telecommunication, digital microwave networks, mobile communication networks, and paging networks which covered the whole province were built, and Ningxia became the first region in northwest China to make city and county telephone switchboards program-controlled. Urban telephone lines increased to 303,000, increasing by 8.8 times over 1990. Urban infrastructure construction was expedited, and great change took place in the appearance of urban and rural areas.

Good results were made in assisting the economic development of poor areas. In the face of serious drought, various levels of governments led the masses to carry forward the spirit of self-reliance and arduous

struggle and to provide for and help themselves by engaging in production so that the losses incurred by natural calamities were reduced, and the results which we made in assisting the economic development of poor areas were consolidated and increased. Over the past five years, irrigated land in southern mountain areas increased by 140,000 mu, 210,000 mu of irrigated areas were improved, and "three types of dry farmland" increased by 1.42 million mu. A total of 65 stations for supplying water for people and animals were built, and 40,000 drought-resistant water cellars were dug, so that the problem of providing water for 360,000 people and 470,000 sheep and large domestic animals was solved. The output value of township enterprises in mountain areas totaled 990 million yuan, increasing by 2.3 times over 1990. The main body of the Yanhuangding Huang He water diversion project was basically completed, and it began to give play to its efficiency. The construction of a number of aid-the-poor projects such as the "4071" project was expedited. Over the past five years, 280 million kg of relief grains and 59.71 million yuan of relief fund were allocated to mountain areas. The activities of making departments support townships, making enterprises support villages, and making areas along the rivers and mountain areas support each other were extensively carried out, and good results were achieved in this respect.

Great progress was made in reform and opening up. In line with unified central plans, fiscal and taxation, banking, investment, foreign exchange, and foreign trade systems were reformed so that a profound change took place in the region's economic operation mechanisms. Price and circulation systems were vigorously reformed, and a mechanism whereby the market determines the commodity price was basically established. New progress was made in reforming the social security system with an emphasis on the old-age and unemployment systems as well as the housing system. The organizational reform of governments was steadily promoted. The pace of changing the management mechanism of state-owned enterprises was quickened, 11 enterprises including Xibei bearing plant began to experiment with a modern enterprise system, 1,155 shareholding enterprises were established, and initial results were made in reorganizing enterprises by ways of mergers, association, joint venture, auction, and bankruptcy. Rural reform was continuously deepened. While consolidating a contracted household responsibility system with remuneration linked to output, a management system in rural areas whereby unified management is combined with separate management and a socialized service system were strengthened. Opening up to the outside world was unceasingly expanded. Ningxia carried out economic and technological cooperation and cultural

exchange with more than 60 countries and regions. The import and export volume in 1995 totaled \$280 million, increasing by 1.4 times over 1990, of which, export alone reached \$240 million, increasing by 2.1 times. Over the past five years, foreign capital input totaled \$180 million, equivalent to 2.9 times that of the Seventh Five-Year Plan period. The three types of foreign-funded enterprises increased from 14 in 1990 to 365. New achievement was made in introducing technology, undertaking foreign contracted projects, and exporting labor service.

All-round progress was made in science and technology, education, and other social undertakings. The strategy of "invigorating Ningxia with science and education" was thoroughly implemented. Over the past five years, we scored 827 scientific research achievements at and above the provincial level as well as popularized and applied 537 scientific and technological achievements. The scientific and technological system was thoroughly reformed step by step, and the great majority of scientific research organs engaged in developmental projects were turned into enterprises or industrialized. Yinchuan high- and new-tech industrial development zone was established. Efforts were intensified to make education a strategic priority. Two-thirds of the counties (cities and districts) across the region basically made primary education universal and were working to make junior middle school education universal. Urban districts of Yinchuan and Shizuishan cities basically made the nine-year compulsory education universal. Significant achievement was made in the "231" project; peasants' cultural, scientific, and technological quality was enhanced considerably, and the illiteracy rate of middle-aged and young people dropped from 22.7 percent in 1990 to 10.5 percent. New progress was recorded in vocational, adult, and higher education as well as the education of minority nationalities. Family planning work was further strengthened, and the birthrate and the natural population growth rate were reduced by 0.506 and 0.503 percentage points respectively. Significant progress was made in cultural and health, radio and television, press and publication, and sports undertakings.

The living standard of urban and rural people was further improved. Peasants' per capita net income in 1995 reached 1,037 yuan, increasing by 443 yuan over the end of the Seventh Five-Year Plan period; urban dwellers' per capita income spent on living expense reached 3,026 yuan, increasing by 1,755 yuan. Urban and rural dwellers' savings deposits reached 11.52 billion yuan, increasing by 2.5 times. Both buying and selling were brisk in urban and rural markets. The total volume of consumer goods retail sale reached 5.72

billion yuan, registering an average annual growth of 17.7 percent over the past five years. Highways were built in all townships and power was supplied to all villages. Low-fluorine water was made available to 480,000 people living in the areas with high-fluorine water, and Ningxia, in its endeavor to improve water by reducing the fluoride content in water, ranked among the best in the country. New housing totaling 6.04 million square meters and 15.02 million square meters were built for urban inhabitants and rural inhabitants, respectively. Telephone subscribers rose to 4.5 per 100 persons from 1.1 per 100 persons, thus reaching the national average level. In Yinchuan city, 34.5 percent of inhabitants used electric cookers, urban and rural people's cultural life was further enriched, and their quality of life was improved.

Socialist spiritual civilization and the building of democracy and the legal system were strengthened. Focusing on reform, opening up, and economic construction, we persisted in educating people in the theory of building socialism with Chinese characteristics and the party's basic line so as to make the guiding principles and policies of the party and the state strike roots into the hearts of people. In line with the activity celebrating the 50th anniversary of the victory in the antifascist war, we thoroughly carried out education in patriotism, collectivism, and socialism. We extensively carried out the activity of pooling the efforts of soldiers and civilians as well as of policemen and civilians to establish civilized units. Various levels of governments consciously accepted the supervision of the people's congress at the same level and its standing committee, regularly reported their work, and conscientiously carried out various resolutions and decisions. They established a system for making contacts with the CPPCC Committee and democratic parties, promptly reported to the state major affairs concerning economic construction and social development, and listened to opinions and suggestions. Over the past five years, they handled 2,521 deputies' suggestions and CPPCC members' motions and solved a large number of problems concerning the immediate interests of the masses. The Second Five-Year Plan for dissemination of laws was carried out, and citizens' legal concept was prevalently strengthened. The party's policy towards nationalities and religions was conscientiously carried out, and the activity to promote national unity and progress was unceasingly deepened.

Quite a few difficulties and problems still exist in the course of progress, and some of them are quite conspicuous. They are mainly shown in the following aspects: the overall quality of the economy is low, and an extensive economic growth model featuring high investment

but low output has not been changed; the agricultural foundation is weak, natural calamities frequently occur, and the aid-the-poor task is arduous; state-owned enterprises have yet to fundamentally change the management mechanism, their historical and social burdens are heavy, and the loss incurring in some enterprises is serious; inflation is excessively high, resulting in difficulties in the life of some people; the public security of some places is bad, and this arouses strong resentment from the masses; the transformation of government functions still cannot meet the demands of a socialist market economy, and a few government staff members are corrupt and have the bad work styles of bureaucracy, formalism, and fraud. We also face some new problems which exist in the socialist spiritual civilization construction and the building of democracy and the legal system. Therefore, we should conscientiously summarize experiences and lessons and further adopt measures for realistically resolving these problems in our work for some time to come.

II. Trans-Century Fighting Targets and Guiding Principles

The Ninth Five-Year Plan period and the next 15 years are the important period linking the past with the future for the region's reform, opening up, and modernization drive. Whether we can seize the opportunity and expedite development has a direct bearing on what stance Ningxia will take when entering the 21st century. Though quite a few difficulties lie ahead of us, there are many advantageous conditions, and overall internal and external environment is better than that of the Eighth Five-Year Plan period. A. The region's industrial structure has been initially improved, economic construction has been pushed to a new stage, and this has laid a fairly good foundation for future development. B. Starting from the Ninth Five-Year Plan period, the state will intensify its effort to promote the development of central and western China as well as carry out policies which are advantageous to narrowing the gap between western and eastern China. C. Industrial restructuring in eastern coastal areas has been expedited, and this provides an opportunity for promoting cooperation between eastern and western China and pushing the region's development. D. In the practice of reform and development, we have established the thinking on development compatible with the region's actual conditions step by step, formulated corresponding policies and measures, and accumulated some precious experiences. So long as the whole region works with one heart and one mind, works hard for making the country strong and prosperous, and advances in a pioneering spirit, it is definite that we can create a new situation for the region's modernization drive.

According to the recognition mentioned above and on the basis of extensively soliciting the opinions of various sectors and repeatedly conducting study and appraisal, the fighting targets for the region's economic and social development have been defined: By the end of this century, the GDP will be six times that of the 1980 figure, and the per capita GDP will be quadrupled under the situation that the region's population will increase by around 2 million over 1980. The great majority of urban and rural people will approach or attain a moderate level of prosperity, poor population in southern areas will be basically out of poverty, and a significant change will take place in the appearance of urban and rural areas. The great majority of state-owned large- and medium-sized enterprises will initially establish a modern enterprise system, and a socialist market economic system will be initially established. Through 10 years' development, by 2010, the per capita GDP will double the 2000 figure, and people will have an even more comfortable life. A fairly perfect socialist market economic system will be established. Agricultural bases, energy bases, and raw materials bases with high consumption of energy which are important in northwest China will be established so as to form the regional economy featuring prominent advantages, significant characteristics, fairly high added value gained from the processing of products and fairly high economic efficiency, a rational industrial structure, and all-directional opening up to the outside world. Significant progress will be made in socialist spiritual civilization construction and the building of democracy and the legal system. A coordinated and sustainable development of the economy and society will be realized in order to lay a solid foundation for Ningxia and the whole nation to synchronize modernization.

During the Ninth Five-Year Plan period, new progress should be made in the following aspects:

Economic construction should be pushed to a new stage. By 2000, the GDP should reach 26.2 billion yuan, registering an increase of 54 percent over 1995 and an average annual growth of 9 percent. The per capita GDP should rise to 4,600 yuan from 3,345 yuan. Local financial revenues should reach 1.65 billion yuan, an average annual growth of 13 percent.

A socialist market economic system should be initially established. A unified and open market system with orderly competition should be basically established. The great majority of state-owned large- and medium-sized enterprises should initially establish a modern enterprise system, and the pattern characterized by simultaneous development of various economic sectors while keeping publicly owned economic sectors as the mainstay should be more vigorous. A social security system that

basically covers the whole society should be established. Government functions should be transformed, and economic management systems should be perfected.

Opening up to the outside world should be further expanded. By 2000, the region's import and export volume should total \$350 million, of which, export alone should amount to \$300 million, registering an increase of 25 percent over 1995. The foreign capital input during the Ninth Five-Year Plan period should reach \$300 million, increasing by more than 70 percent over the Eighth Five-Year Plan period.

Absolute poverty should be basically eliminated. Production conditions in southern mountain areas should be further improved, one person should own more than two mu of high-standard basic farmland, water and soil resources should be fully exploited and utilized, and the ability to fight natural calamities should be strengthened. By 2000, the per capita net income of the great majority of poor households should reach more than 500 yuan (calculated by 1990 price).

All-round progress should be made in scientific and technological, educational, and other social undertakings. By the end of this century, the contribution of scientific and technological progress to industry and to agriculture should reach more than 40 percent and 50 percent, respectively. The nine-year compulsory education should be basically universal in the areas consisting of 70 percent of our population, and illiteracy among the middle-aged and young people should be basically eliminated. Total population should be controlled under 5.7 million. Everyone should be provided for primary health care. Radio and television coverage should reach 85 percent and 90 percent, respectively. The deteriorated environmental pollution and ecological destruction should be initially controlled.

The pattern for the economic development of various regions with their unique features should be established. With major cities as the basis, we should guide the rational layout of productive forces, endeavor to turn more areas into cities and towns, and gradually promote southern, northern, and central Ningxia to form their regional economies with their own characteristics.

Living standards should be further improved. During the Ninth Five-Year Plan period, urban dwellers' income spent on living expenses should increase by an average of 5.5 percent annually, and peasants' per capita net income should increase by an average of 5 percent annually. Urban dwellers' per capita living space should rise to 9 square meters from 7.9 square meters, and peasants' housing conditions should be improved. Urban unemployment should be controlled under 5 percent.

To realize the fighting targets mentioned above, we should adhere to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line; have a firm grasp of the general tasks of "seizing the opportunity, deepening reform, expanding opening-up, promoting development, and maintaining stability"; and conscientiously carry out nine important principles on guiding national economic and social development issued by the central authorities. In line with central guidelines and Ningxia's actual conditions, the "Outline (draft)" puts forward eight specific guiding principles. Therefore, we should unwaveringly carry them out in our practical work for some time to come.

Fellow deputies: In the course of our future development, we should actively promote a fundamental change in the economic system and the economic growth model. This holds the key to the realization of the Ninth Five-Year Plan and the long-term target for the year 2010. To realize a fundamental change in the economic system, in line with the demands for establishing a socialist market economic system, we should actively promote the economic system reform and other reform, further rationalize the relationship between various economic sectors, and establish a new economic operation mechanism and economic order so as to adapt to the needs in developing productive forces. To transform the economic growth model, we should change such situations which have existed for a long time as emphasizing investment but neglecting output, emphasizing quantity but neglecting quality, emphasizing construction but neglecting management, and building low-level and duplicate projects; realize a change from an extensive economic growth model to an intensive economic growth model; and enhance the quality of economic growth. To promote Ningxia's development, we should lay focus on optimizing the economic structure, emphasizing the economies of scale, expediting scientific and technological progress, strengthening scientific management, lowering consumption, saving resources, reducing pollution, and enhancing efficiency. Starting from this year, various levels of governments should regard promoting two fundamental changes as a central task, study and formulate specific plans and measures, pay close attention to carrying them out, and strive for significant progress.

In the course of future development, we should correctly handle the relationship between reform, development, and stability. Development is the purpose, and expediting development holds the key to improving the backward economy. Reform is the motive force, and only by reform can we resolve many deep-seated contradictions which hamper our development. Stability is the basic premise for development and the smooth progress of reform, and without a stable political and social en-

viroment, nothing can be accomplished. We should always regard economic construction as a central task, make various tasks obey and serve it, and under any circumstances, successfully carry it out without slackening any slightest effort. At the same time, we should soberly notice that in the course of promoting reform, opening up, and modernization drive, reform, development, and stability, all face the new situation and tasks. Development calls for efforts to enhance quality and efficiency, and reform calls for efforts to make breakthroughs in key and difficult points. They both will further change the pattern of interests and social relations. Therefore, we should attach great importance to maintaining stability, guarantee reform and development with stability, promote social stability by deepening reform and expediting development, and make reform, development, and stability mutually coordinated and promotive.

III. Transform the Economic Growth Model To Realize a Sustained, Rapid, and Healthy Development of the Economy

During the Ninth Five-Year Plan period, firmly focusing on changing the economic growth model, we should develop the rural economy in all sectors, greatly rejuvenate the pillar industries, intensify infrastructural construction, expedite the aid-the-poor development projects in mountain areas, actively expand the tertiary industry, and lay a solid foundation for attaining the second-step strategic objective.

First, we should comprehensively develop rural economy and make it flourish.

Agriculture is the foundation of the nation's economy. We should persist in putting the strengthening of agriculture first in the economic work and ensure that both agricultural production and peasants' income will be increased so as to promote the rural economy in an all-round manner. By 2000, total grain output should reach 2.4 to 2.5 billion kg. Total meat output should reach 166,000 tonnes. The output value of township enterprises should be doubled and total 13 billion yuan when calculated at 1990 constant prices. Peasants' per capita net income should register an actual growth of 27.6 percent over 1995.

We should continuously regard the target of making people have a relatively comfortable life as the guidance to promote the overall rural work, persist in laying focus on increasing peasants' income, simultaneously promote the development of areas along the rivers and mountain areas, and comprehensively carry out the "plan for developing areas along rivers" and the "plan for introducing 100 advanced techniques and popularizing 100 major scientific and technological achievements so as to tackle difficult problems on support-

ing the poor." We should quicken the pace of establishing bases for the production of agricultural products and establish regional pillar industries. We should strengthen the agricultural infrastructure with an emphasis on water conservancy facilities; do a good job in building the aid-the-poor project of diverting water from Huang He for irrigation purpose, the Yanhuand-ing water diversion project for Ningxia's special use, the comprehensive agricultural development in Hetao areas, the transformation of old irrigated areas, Shapotou key water conservancy project, and the Huang He harnessing project; and increase effective irrigated areas by 1.1 million mu, and transform 1.2 million mu of medium- and low-yielding farmland. We should complete the construction of second-generation shelterbelts around the farmland in irrigated areas and attain the designed target of high standard afforestation in green plains. We should expedite the implementation of the "double-10" project of invigorating agriculture with science and technology so as to enhance the overall level of agricultural science and farming techniques. Various levels of governments should increase agricultural investment as well as encourage and guide rural collective organizations, township enterprises, and peasants to increase investment.

We should energetically develop township enterprises. We should actively promote the reform of the property right system with focus on the shareholding cooperative system, comprehensively carry out the project of "working hard for making townships strong and people prosperous" and the "exemplary project of promoting cooperation between eastern and western China," quicken the pace of fostering backbone enterprises, and help township enterprises upgrade their standing, scale, and level. We should intensify construction of small industrial zones, and guide enterprises to be relatively concentrated and rationally distributed so as to promote the construction of small cities and towns.

We should continuously deepen the rural reform. We should stabilize and improve a contracted household responsibility system with remuneration linked to output and a management system in rural areas whereby unified management is combined with separate management, establish the system of transferring the land use right, and develop diversified optimum-scale production. We should establish and perfect a market system for agricultural products with focus on wholesale markets, rationalize prices, and rectify the order of markets. We should actively promote the integrated management of trade, industry, and agriculture; quicken the pace of establishing an agricultural socialized service system; do a good job in running rural cooperative economic organizations; and strengthen collective economic sectors.

We should perfect the system of protecting cultivated land and forbid the misuse of them. We should step up efforts to supervise and manage whatever will increase peasants' burdens so as to realistically safeguard their legitimate rights and interests.

Second, we should energetically invigorate pillar industries.

To invigorate pillar industries holds the key to the region's economic leap. During the Ninth Five-Year Plan period, we should concentrate our efforts on selecting and supporting excellent and strong industries so as to expedite the construction of pillar industries. In the chemical industry, we should lay focus on crude oil processing, three, chemical fertilizer, metallic sodium, calcium cyanamide, and dihydro amine as well as further develop new petrochemical products and fine chemicals. In metallurgical industry, we should lay focus on developing electrolyte aluminum, rare metal, ferroalloy, metallic magnesium, hot pressed coke, and metal products as well as actively develop in-depth processing and comprehensive utilization so as to increase large-scale efficiency. In machinery and electronics industry, we should lay focus on developing such products as bearings, numerical-controlled machine tool, instruments and meters, tantalum capacitors, and farm machinery so as to enhance the technological level and increase market shares. In the processing of farm and sideline products, we should quicken the pace of developing food, paper making, and livestock products for which we have advantageous resources supply as so as to upgrade and enhance the quality of products. In the industry of building materials, we should actively develop good-quality cement, glass, and ceramic bathroom fixtures and building materials as well as expand business scale. In the building industry, we should lay focus on the construction of key projects and unceasingly enhance the management level and the quality of construction. During the Ninth Five-Year Plan period, the development rate of pillar industries should be higher than the average rate of the whole regions' industry.

In line with the overall demands for "raising the level, expanding scale, and increasing efficiency and strength," during the Ninth Five-Year Plan period, the region should lay focus on fostering 10-odd backbone enterprises with sales income of more than 1 billion yuan and with profit and tax of more than 100 million yuan. The region's relevant departments and bureaus as well as prefectures, cities, and counties should lay focus on fostering more than 40 superior enterprises with sales income of more than 100 million yuan and with profit and tax of more than 10 million yuan in order to make

them leading, pillar financial resources in the region's economic growth.

Focusing on establishing pillar industries, we should expedite enterprises' technological progress, enhance the level of enterprises' technology, equipment and technical measures, and quicken the pace of updating and upgrading products. We should lay focus on developing high- and new-tech industries. By 2000, we should strive to make the proportion of the added values of the regions' high- and new-tech industries in the GDP reach more than 10 percent. We should do a better job in running Yinchuan high- and new-tech industrial development zone.

Third, we should continuously intensify efforts to build energy, transportation, communication and other infrastructure facilities.

In line with the principle of making overall plans and rational layout and giving priority to key points, we should build a number of energy, transportation, and communication backbone projects based on good quality and a high standard so as to improve the region's investment environment considerably. We should pay close attention to building Lingwu mining area and Daba and Shizuishan power plants, increase generating capacity by 900,000 kilowatts, accelerate the rate of transforming coal into electricity, and become capable of delivering both coal and electricity to outside the region as soon as possible. We should lay focus on such key projects as Hedong Airport in Yinchuan city, Yesheng-Yaofu first-grade highway, and electrification of Baotou-Lanzhou Railway so as to comprehensively increase the comprehensive transportation capability. We should increase more air routes from Yinchuan to China's major cities step by step and appropriately develop air cargo transportation. We should further perfect main highway networks with focus on "three highways from the north to the south and five from the east to the west" so as to upgrade highways. In post and telecommunication, we should lay focus on building optic-fiber lines and intensify efforts to establish urban telephone and mobile communication networks. Besides, we should enhance the level of mechanization and automation and strengthen the comprehensive ability to deliver mails.

Fourth, we should expedite the economic development of southern poor mountain areas.

During the Ninth Five-Year Plan period, in close accordance with the target of "steadily providing adequate food and clothing for the masses and steadily increasing peasants' income," we should lay focus on building the aid-the-poor project of diverting water from Huang He for irrigation purpose, developing the county economy, and expanding labor service export; comprehensively

carry out the "plan of introducing 100 advanced techniques and popularizing 100 major scientific and technological achievements so as to tackle difficult problems of supporting the poor"; and strive to basically provide adequate food and clothing for more than 1 million poor population.

We should concentrate efforts on carrying out the aid-the-poor project of diverting water from Huang He for irrigation purpose. This is a strategic move for fundamentally improving the conditions for the economic development of mountain areas and for making more than 1 million people out of poverty; is a grand project for coordinating the economic development of mountain areas and areas along the rivers; and is of great political and economic significance. In line with the principle of "giving play to efficiency in the course of construction," we should make overall and meticulous arrangement, complete the Hongqibao irrigated area project and Guhai first-phase project of extending irrigated areas, build 1.3 million mu of new irrigated areas by diverting water from Huang He, and make good arrangement for 675,000 poor population. We should expedite the development of the county economy and establish aid-the-poor pillar industries with their unique features. We should attend to the "4071" project of assisting the economic development of poor areas, carry out special plans for finding water sources in mountain areas, actively develop water-efficient agriculture, do a good job in water and soil conservation, and strengthen the ability to fight natural calamities in mountain areas. Expanding labor service export is a strategic measure for supporting the poor, so we should strengthen leadership, perfect organization, and strive to export more than 200,000 laborers every year. We should attend to the construction of Guyuan aid-the-poor economic exemplary zone, Longshui aid-the-poor economic development zone, and "Ningxia Huazi village."

Fifth, we should actively develop the tertiary industry.

The growth and prosperity of the tertiary industry is an important characteristic of the modern economy. On the premise of promoting the development of primary and secondary industries and serving people's livelihood, we should further readjust the internal structure of the tertiary industry and gradually establish a socialized, industrialized, and marketized industrial system. While continuously developing commerce, urban public utilities, service industry, and other traditional industries, we should actively develop such new industries as tourism and information, consultation, technical, legal, auditing, and accounting service; standardize and develop banking and insurance industries; guide real estate industry to develop in a healthy way; and perfect the evaluation of assets, business agents, coordination of trades,

and other professional intermediary service. We should turn institutions and welfare units with appropriate conditions into business units or enterprises. We should encourage state-owned, collective, individual, private, and other economic sectors to establish tertiary industry sectors in a multilateral and many-sided way.

IV. Quicken the Pace of Reform and Opening-Up and Establish the Economic Operation Mechanism Which Is Full of Vigor

During the Ninth Five-Year Plan period, in line with the overall demand for establishing a socialist market economic system, we should lay focus on reforming enterprises, add impetus to reform, open wider to the outside world, and establish the economic operation mechanism which is full of vigor in order to meet the demands of the development of productive forces.

1. We should regard the establishment of a modern enterprise system as the target to thoroughly reform state-owned enterprises.

To reform state-owned enterprises, in line with the demands of "clearly defining the property rights as well as the rights and responsibilities of enterprises, separating government administration from enterprise management, and conducting scientific management," we should quicken the pace of establishing a modern enterprise system so as to make the great majority of state-owned large- and medium-sized enterprises really become legal person entities and market competitors that operate independently, assume responsibility for their own profits and losses, and exercise self-restraint in their own development. We should do a good job in experimenting with a modern enterprise system and strive to make breakthroughs in tackling key and difficult problems. On the basis of experimenting with this system, state-owned large- and medium-sized enterprises should be turned into companies. We should give overall consideration to the problems concerning enterprises' internal mechanism, external environment, and historical burdens; conscientiously carry out the state's relevant policies; adopt feasible measures; lower the liability-asset ratio of enterprises; explore a way for the multi-channel dispersion of redundant enterprise staff and workers and for ridding enterprises of the social service functions they have been undertaking in order to lighten the burden of enterprises.

We should give priority to key points and provide specific instructions. We should carry out strategic restructuring in state-owned enterprises and carry out the strategy of large-scale enterprises and enterprise groups. With backbone enterprises and brand-name products as the lead and with the market as the guide, we should promote the association and amalgamation of enterprises as

well as expedite the fluidity and reshuffling of reserve assets so as to form advantages in scale. We should decontrol and invigorate small enterprises and intensify efforts to restructure and reorganize them by ways of association, amalgamation, the shareholding cooperative system, contractual management, leasing, auction, and bankruptcy. Through improving big enterprises and relaxing control to invigorate small ones, the development pattern of complementary and mutual promotion with each other's advantages should be formed.

Carrying out scientific management is an important content of establishing a modern enterprise system. We should integrate the reform, reorganization, and transformation of enterprises while strengthening management, promote enterprises to establish a scientific management system, and strive for better efficiency through scientific management. We should establish a scientific enterprise leadership system, rationally standardize and regulate the relationship between owners, managers, and staff members and workers, and establish a system that integrates incentives and restraint. All enterprises should wholeheartedly rely on the working class, care for the livelihood of staff members and workers, and give full play to their enthusiasm for production. We should conscientiously carry out the "labor law" in order to protect laborers' legitimate rights and interests.

2. We should actively foster and develop market systems.

In line with the basic demands for building large-scale markets, invigorating large-scale circulation, and developing large-scale trade, we should quicken the pace of establishing market systems. We should make full use of and rebuild the existing facilities and rely on key cities and commodity bases to establish wholesale markets for industrial consumer goods, farm and sideline products, and means of production that are influential inside and outside the region. We should thoroughly reform state and cooperative circulation enterprises, increase economic strength, and give full play to their role as main distributors. We should actively promote the proxy system, chain-store operation, distribution centers, and other modern circulation organizations, foster a number of commercial and trade collectives with bigger influence, and give play to the advantages of intensive management so as to increase efficiency.

We should actively foster and standardize the markets of essential production factors, such as money, labor force, real estate, technology, and information, as well as initially establish a mechanism whereby the market determines prices of essential commodities. We should establish a market for the transaction of property rights so as to standardize the behaviors of property rights

transaction between enterprises. We should energetically develop various market professional intermediary organizations. We should expedite the reform of the circulation system and gradually establish an unified and open market system with orderly competition, which is characterized by the connection of domestic and international markets and the coordination of commodity markets and markets of essential production factors.

We should continuously perfect the reserve system and the risk fund system for grains, oil, meat, vegetables, sugar, chemical fertilizer, and other major commodities so as to strengthen the government's ability to regulate and control markets. We should intensify efforts to manage and supervise markets so as to standardize circulation order. We should resolutely crack down on the law-breaking behaviors of manufacturing and selling fake and shoddy commodities, oppose unfair competition, and protect the legitimate rights and interests of producers, managers, and consumers.

3. We should actively promote the reform of social security and housing systems.

Focusing on the old-age, unemployment, and medical insurance systems, we should establish a social security system which is provided for all urban staff members and workers and which adapts to the level of the region's productive forces as soon as possible. We should comprehensively carry out the plan for reforming the old-age insurance system for staff members and workers in urban enterprises. In rural areas, we should lay focus on family insurance and develop a multifarious old-age insurance system guided by the government and voluntarily participated by peasants. Unemployment insurance should be expanded from staff members and workers in state-owned enterprises to those in collective and private enterprises and the Chinese staff members and workers in foreign-funded enterprises. We should strengthen management of mutual assistance funds, restructure their use, and ensure that the great majority of funds will be used for the jobless staff and workers and their families. We should energetically promote the reemployment project so as to ease the pressure on employment. We should perfect and improve the system in which the lowest wages and living expense standards will be guaranteed as well as do a good job in resolving the living difficulty of the staff and workers in enterprises which have stopped operation or operated under capacity and of urban low-income earners. After successfully reforming a medical insurance system on a trial basis, this system should be provided for more people step by step. In the urban housing reform, we should comprehensively promote the system of accumulation funds, regulate rents step by step, steadily sell out public houses, and continuously attend to

"adequate housing projects." By the end of this century, we should initially establish a new urban housing system.

4. We should relax control to develop nonstate-owned economic sectors.

During the Ninth Five-Year Plan period, we should further deregulate policies and encourage nonstate-owned economic sectors and the ones organized by different economic sectors to seek greater development. We should support collective, individual, private, and three types of foreign-funded enterprises to adopt advanced technologies to expand their production and upgrade their products. We should strengthen the guidance of the industrial policy. We should encourage nonstate-owned enterprises to shift to the production of primary and secondary industries as well as develop themselves into enterprises characterized by advanced science and technology or into export-oriented ones after developing the tertiary industry. We should lay focus on supporting various enterprises with a good business and give play to their exemplary and leading role in order to establish a number of enterprises and enterprise groups with unique features in their products and fairly large-scale production.

5. We should promote a multi-directional opening up to the outside world.

Further expanding economic, technological, and cultural exchange and cooperation with foreign countries as well as making full use of domestic and international resources is an important condition for expediting the modernization drive. During the Ninth Five-Year Plan period, we should intensify efforts to attract investment and intellectual resources from the outside, strengthen the association of eastern and western China, and strive to make bigger breakthroughs in the domains, scale, and efficiency of opening up to the outside world. We should adhere to the strategy of a multi-outlet market whereby the market share is gained by good-quality products. Export-oriented enterprises should establish a quality guarantee system which is compatible with the international standards as soon as possible. We should further readjust and optimize the structure of export commodities, increase their scientific and technological content and added value, and unceasingly increase the competitiveness of export commodities. We should continuously promote the development of foreign contracted projects and labor service cooperation as well as actively open up international building markets. We should quicken the pace of reforming enterprises engaged in foreign economic relations and trade as well as energetically promote the progress of turning them into industrialized and international conglomerates. We should encourage

enterprises with appropriate conditions to directly do business with foreign enterprises. By the end of this century, we should initially establish a unified and standardized system for foreign economic relations and trade in line with generally accepted international practice. We should introduce foreign capital through various channels and methods. Particularly, we should strive for preferential loans from international financial organizations and foreign governments as well as strive for joint ventures and cooperation with large-scale financial groups and commercial corporations and multinational corporations abroad. Priority for using foreign capital should be placed on fostering pillar industries, expediting the technical transformation of enterprises, and strengthening the basic industries in the areas of agriculture, water conservancy, energy, transportation, and communication with the aim of enhancing the quality and efficiency of using foreign capital. We should unceasingly improve an investment environment, perfect coordinated service, and make Ningxia more attractive to foreign businessmen.

While opening the region wider to foreign countries, we should energetically develop economic and technological association and cooperation with brotherly provinces and regions. Various levels of governments should conscientiously carry out the region's "policies and regulations on carrying out the 'cooperative project of eastern and western China.'" They should extensively mobilize people to carry it out, actively introduce funds, technology, and talented persons, and make concerted efforts to establish enterprises and various economic entities in order to comprehensively promote cooperation between eastern and western China.

6. We should expedite the transformation of government functions.

In line with the principle of separating government functions from enterprise management, various levels of governments should realistically alter their functions. The government's economic management function should be shifted to formulating and carrying out economic policies, attending to the infrastructure, creating a good economic development environment, and to management, coordination, supervision, and service. Those functions that should not be undertaken by the government should be shifted to enterprises, markets, and social intermediary organizations gradually. In line with the principle of efficient, unified, and simple administration, we should attend to the government's organizational reform; gradually transform comprehensive economic departments into authoritative macro-control organs with unified functions; and gradually turn specialized economic management departments into economic entities without government functions, into state-

authorized firms engaged in operating state assets, or into self-regulated organizations for managing industries. Other government departments should also make rational adjustments. In line with the government's organizational reform, we should comprehensively promote the public service system. We should give play to the role of planning, finance, and banking in economic regulation. Economic plans should concentrate on the macroeconomy, strategies, and guidance. Through carrying out industrial and investment policies, we should optimize the economic structure. In the financial work, through carrying out financial policies and using such means as budget and tax collection, we should rationally readjust the income distribution structure. We should actively promote the banking system reform, expand money-lending channels, invigorate the circulation of funds, and increase the efficiency of using funds.

V. Comprehensively Expedite Social Progress and Strengthen Construction of the Socialist Spiritual Civilization

In the course of expediting the socialist modernization drive, we should unwaveringly persist in integrating construction of the spiritual and material civilizations, adapting social progress to economic development, and making them mutually coordinated and promotive.

A. We should thoroughly carry out the strategy of invigorating Ningxia through science and education.

Expediting scientific and technological advances and enhancing the quality of the labor force are the key to shifting the mode of economic growth. Focusing on the priority of promoting economic and social development, we should energetically introduce, popularize, study, and develop advanced technologies as well as quicken the pace of transforming scientific and technological achievements into practical productive forces. During the Ninth Five-Year Plan, we should introduce 100 advanced technologies and popularize 100 key and major scientific and technological achievements. We should build exemplary zones of high-yield, good-quality, and high-efficiency agriculture in areas irrigated by Huang He water, as well as establish farming technique systems to fight drought and reduce natural calamities in mountain areas. Major industrial branches should upgrade their technology to the international standard of the mid-1980's, and backbone enterprises in some key branches should upgrade their technology to the standard of developed countries in late 1980's. We should thoroughly reform the scientific and technological system as well as initially establish a new system that meets the demands of a socialist market economy and is in accord with the development of science and technology. We should strengthen the association of scientific

research institutes, colleges and universities, and enterprises; encourage large and medium-sized enterprises to establish technological development centers; and step-by-step make enterprises play an important role in technological development. We should continuously do a good job in protecting intellectual property and patent rights. We should regard Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as guidance and conduct in-depth studies in close accordance with Ningxia's actual conditions in order to make social sciences serve reform, opening up, and the modernization drive.

We should persist in making educational undertakings a strategic priority. We should carry out the nine-year compulsory education based on a high quality and energetically develop vocational and adult education. We should promote association and amalgamation among colleges, universities, and specialized secondary schools so as to increase the efficiency of running schools. We should continuously give priority to developing the education of minority nationalities and strive to increase the proportion of students of Hui nationality in schools. We should continuously give impetus to reforming the system of running and managing schools as well as establish a new educational system that will be primarily government-run but will include schools operated by different sectors of society. We should quicken the pace of reforming the admission system, the system of collecting fees, and the system of assigning jobs to graduates of colleges, universities, and secondary specialized schools. We should continuously consolidate the ranks of teachers, enhance their positions, and increase their wages.

To realize the Ninth Five-Year Plan and the development targets for the year 2010, we should orient our education toward the future and train a large number of talented trans-century persons with lofty ideals, moral integrity, good educations, and a sense of discipline in order to provide the strong spiritual impetus and intellectual support for future development. This is a comprehensive project involving various trades and professions. Starting this year, in a many-sided and multi-channel way, we should adopt various methods to train a large number of excellent leading cadres who can lead the masses to carry out the modernization drive in a pioneering and creative spirit; train a large number of enterprise managers who have a good grasp of management and are good at managing and competent at opening up markets; and train a large number of persons leading in certain disciplines and academic fields who are proficient in professional work and advanced in specialized fields. We should thoroughly carry out the rural "231" project and the urban "3331" plan. On the basis of com-

proactively raising the quality of laborers, we should train a large number of good hands in production as well as technical backbone elements. Various levels of governments and all departments should firmly establish the ideology of respecting knowledge and talented persons, pay close attention to studying and formulating the plan for carrying out the project of training talented trans-century persons as well as relevant policies, and establish an effective mechanism for training, attracting, and making good use of talented persons as soon as possible.

B. We should carry out the strategy of sustainable development.

While developing the economy, we should attach great importance to controlling excessively fast population growth, strengthen environmental protection, use resources rationally, and carry out the strategy of sustainable development coordinating among the economy, society, population, resources, and the environment.

We should unrelentingly attend to family planning so as to strictly control excessively fast population growth. We should attend to family planning work in close accordance with economic and social development; establish a mechanism that integrates incentives and social restriction; strengthen propagation and education, comprehensive service, and scientific management; and adopt comprehensive measures to resolve the population problem. We should continuously carry out the system under which governments at all levels are responsible for attaining given targets in population and birth control efforts. We should persist in not changing fixed population control targets, current family planning policies, or the practice of making leaders personally attend to and take full responsibility for family planning. We should step up efforts to build grass-roots service networks; carry out basic family planning work; comprehensively implement the guiding principle of "focusing on propagation and education, contraception, and regular work"; and actively integrate family planning with peasants' efforts to develop the rural economy, shake off poverty and become prosperous, and refine family life and make it more enjoyable. We should encourage prenatal and postnatal care so as to enhance the quality of population. We should focus on controlling the population of rural and mountain areas, as well as intensify efforts to manage the family planning of transients.

Environmental protection is one of our state's basic national policies. In many of Ningxia's areas, natural conditions are adverse and the ecological environment is weak, which seriously restricts the development of economic and social undertakings. In the course of the modernization drive, we should persist in simultane-

ously planning, carrying out, and developing economic construction, rural and urban construction, and environmental construction. We should continuously carry out the three major policies of putting prevention first, making those creating pollution responsible for making improvements, and strengthening environmental management so as to enhance the concept of environmental protection. We should intensify efforts to control pollution, increase step by step inputs to environmental protection, and strictly control discharges of pollutants. We should attach great importance to preventing and controlling desertification, soil erosion, and soil salinization, as well as to protecting the resources of national territories according to law and exploiting them rationally. We should step up efforts to monitor, forecast, prevent, and control damage caused by catastrophic climatic, earthquake, and geological disasters in order to reduce losses incurred by natural calamities.

C. We should energetically promote construction of the socialist spiritual civilization.

We should adhere to the principle of "simultaneously attending to two tasks and achieving success in both," incorporate construction of the socialist spiritual civilization into the overall plan for economic and social development, closely integrate it with material civilization construction, and coordinate their development.

Ideological and moral construction determines the nature and orientation of spiritual civilization construction, so it is the core of socialist spiritual civilization construction. Various levels of governments should persist in educating the broad masses of cadres and people in the theory of building socialism with Chinese characteristics, as well as energetically carry forward the spirit of patriotism, collectivism, and socialism. We should unrelentingly strengthen education in social, occupational, and family ethics; advance the fine tradition of working hard to build the country and of being diligent and thrifty; carry forward the spirit of respecting work and pioneering an undertaking; and make special efforts to strengthen youngsters' ideological and moral education. We should extensively carry out various activities regarding scientific dissemination, do away with superstitions and feudal ideas, and resist the corrosion of various negative ideas. We should energetically commend the good people who see what is right and have the courage to do it and the good deeds that assist the poor in an effort to create a healthy, civilized, diligent, and law-abiding society with high moral standards.

We should energetically develop various cultural undertakings and make them grow and flourish. We should adhere to the orientation of "serving people and socialism" and the guiding principle of "letting a hundred

flowers blossom and a hundred schools of thought contend." We should devote great efforts to the project of "producing good books, good plays, outstanding dramas, outstanding movies, and convincing articles with original ideas" in order to create a cultural climate that can arouse people to make progress and forge ahead. The broad masses of writers and artists should plunge into the grand practice of the modernization drive and strive to create excellent works worthy of this great era and warmly welcomed by people. Press and publicity work should adhere to the guiding principle of propaganda through positive examples and grasp the correct orientation of public opinion. In radio and television work, we should strengthen the establishment of networks, enhance the ability and the level program production, and increase radio and television coverage. In publication work, we should make good selections and improve quality in order to provide more and better nourishment for the minds of the masses. We should actively foster vigorous and orderly markets for cultural products. We should strengthen grass-roots cultural work in rural areas, factories, mining areas, and schools so as to enrich people's cultural lives. We should step up efforts to protect cultural relics.

We should actively develop health and sports undertakings and improve people's physical fitness. We should strengthen rural health work, as well as consolidate and improve preventive and health protection networks at the county, township, and village levels. We should continuously intensify efforts regarding the prevention and treatment of contagious, occupational, and endemic diseases, and in the area of food hygiene. We should energetically invigorate traditional Chinese medicine and focus on integrating traditional Chinese medicine with Western medicine. We should rectify medicinal markets so as to guarantee people's safety in taking medicine. We should intensify efforts to improve medical service ethics and style so as to enhance quality and level of medical service. We should persist in conducting patriotic public health campaigns and further improve urban and rural hygiene standards. We should actively carry out a health plan for all people and extensively carry out mass sports activities. We should intensify efforts to train excellent sports teams and endeavor to enhance the level of competitive sports.

II. We should further strengthen the building of a socialist democracy and legal system.

Various levels of governments should consciously accept the supervision of the people's congress at the same level and its standing committee and conscientiously carry out various resolutions. They should actively support the CPPCC Committee to give play to its role in political consultation, democratic supervision, and par-

ticipation in and discussion on government affairs. They should establish close contacts with various democratic parties and mass organizations, listen with an open mind to the opinions and suggestions of all sectors, and strive to make policy decisions more democratic and scientific. We should pay attention to and strengthen the government's work concerning legal systems, establish and perfect local and government laws and regulations that meet the demands of a socialist market economy, strengthen law-enforcement supervision, persist in performing administration according to the law, and endeavor to enhance the level of law enforcement. We should conscientiously organize the implementation of the Third Five-Year Plan for disseminating laws so as to strengthen citizens' concept of the law. We should comprehensively carry out the party's policies towards nationalities and religions, extensively carry out the activities to commend national unity and progress, and safeguard and develop an equal and united socialist relationship featuring mutual aid between various nationalities. We should strengthen management of religious affairs according to law and actively guide religions to adapt themselves to a socialist society. We should comprehensively carry out various measures for improving all facets of public security, actively prevent and deal stern blows to various serious criminal and economic crimes, thoroughly conduct the struggle of eliminating pornography and illegal publications, and resolutely wipe out various social evils so as to purify the social environment. We should strengthen national defense education, do a good job with the militia and reserved duty forces, and thoroughly carry out "double-support" activities on a long-term basis so as to strengthen the unity between the army and the government and between the army and civilians.

VI. Strive To Do the Work for 1996 Well and Make a Good Start in Accomplishing the Ninth Five-Year Plan

The year 1996 is the first year of the implementation of the Ninth Five-Year Plan, and also a crucial one for trans-century development. The major regulatory and control targets for economic and social development are: GDP will increase by 9 percent over 1995, local financial revenues will grow by 14.4 percent, inflation will be controlled at around 10 percent, and the natural population growth rate will be controlled to within 14.7 per thousand. This year's work priorities are:

1. We should strive to promote greater agricultural and rural economic development.

We should focus on fulfilling three major tasks. A. We should attend to "rice sack" and "food basket" projects; strive to make total grain output surpass 2.1 billion kg;

realize an all-round growth in the output of oil-bearing crops, sugar, meat, eggs, milk, and vegetables; and ensure an effective supply of farm and sideline products.

B. We should expedite the development of township enterprises, strive to make their output value total 6.8 billion yuan and maintain their growth rate above 20 percent, and ensure that peasants' per capita income will surpass 1,200 yuan. C. We should add impetus to aid-the-poor work and strive to provide adequate food and clothing for the 200,000 poor population by 1996.

2. We should focus on combining reform, reorganization, and transformation of enterprises with strengthening management so as to improve state-owned enterprises.

We should strive to make significant progress in reforming state-owned enterprises. We should successfully reform various state-owned enterprises on a trial basis in order to lay a good foundation for promoting the reform of more enterprises. We should actively carry out various coordinated reforms concerning old-age, unemployment, medical, and industrial injury insurance. We should establish and improve an employment service system integrating employment brokerage, job-transfer training, and unemployment relief. We should thoroughly carry out the activities of "transforming mechanisms, attending to management, strengthening self-improvement, and increasing efficiency," study and popularize Handan Iron and Steel Company's experience, and strengthen the management of enterprises.

3. We should enhance the efficiency and the level of foreign economic trade.

We should focus on efficiency, endeavor to expand export, and strive to earn more than \$180 million in foreign exchange a year. Foreign trade enterprises should carefully examine and calculate costs and strive by every possible means to lower the cost in terms of foreign exchange. We should encourage and support expanded exports by state-owned large and medium-sized enterprises that operate independently in import and export trade, foreign trade enterprises in prefectures and cities, and three types of foreign-funded enterprises. We should pay simultaneous attention to using foreign capital, optimizing the industrial structure, and developing economies of scale; improve the way of inviting foreign investment; and ensure timely input of investments made by the foreign side of the three types of foreign-funded enterprises. We should pay close attention to strengthening Yinchuan city's customs, provide good service on commodity inspection and customs declaration, and further improve the region's investment environment.

4. We should promote the coordinated development of various social undertakings.

In scientific and technological work, we should expedite the development, popularization, and application of new technologies, as well as formulate and carry out plans concerning reform of scientific and technological systems, with the focus on effecting two fundamental changes. In educational work, we should focus on expediting development of the nine-year compulsory education and make this education universal in the suburban districts of Yinchuan city and Wuzhong, Qingtongxia, and Huosong cities and counties. We should also thoroughly reform other various social undertakings, give priority to key points, and expedite development.

5. We should carry out various measures of financial reform.

Various levels of governments and relevant departments should conscientiously carry out various policies and measures formulated by the regional government on thoroughly reforming the financial system. We should further perfect the revenue-sharing system; rationally standardize the duties, responsibilities, and financial rights of the region, cities, and counties; and push the work of financial revenues at city and county levels to a new stage. We should strengthen tax levying and management; rectify and strengthen financial and economic discipline; establish a tax collection and management system whereby tax declaration, proxy work, and auditing are mutually coordinated and restrictive; and ensure that fixed quotas for budgetary revenues will be achieved. We should do a good job in financial auditing and intensify efforts to manage extra-budgetary funds. We should optimize the structure of expenditures, give priority to key points, persist in keeping expenditures below income, and ensure a balance between revenues and expenditures.

6. We should strictly control excessively fast price increases.

We should continuously carry out the system under which governments at all levels should be responsible for attaining given targets in price control efforts; strictly control new price adjustments, particularly charges for public utilities; intensify efforts to supervise and examine the prices of basic daily necessities; and strive by every possible means to stabilize the prices of staple and nonstaple foods. We should energetically rectify the market price order. We should focus on rationalizing prices of chemical fertilizer, power, plastic sheets for agricultural use, and medicines and chemical reagents as well as medical and educational charges in

order to standardize commodity prices. We should intensify efforts to examine prices according to the law and resolutely punish and deal with the law-breaking behaviors of price gouging, monopoly price increases, price fraud, and the reaping of staggering profits.

7. We should intensify efforts to improve all facets of public security.

We should comprehensively carry out the guiding principle of "combining efforts to prevent and crack down on crimes, simultaneously taking stopgap and radical measures and giving priority to effecting a permanent cure"; strengthen grass-roots basic work; carry out the system which makes leaders at all levels responsible for public security work; and establish a preventive public security system that adapts to new situations. We should deal stern blows to various serious criminal and economic crimes according to law. We should carry out the "activity of dealing stern blows to crimes and rectifying public security in 100 days" so as to curb the trend of increased major and appalling criminal crimes. We should thoroughly carry out the struggle of "wiping out six vices" with focus on eliminating "pornography, gambling, and drugs." We should correctly handle contradictions among people under new situation so as to safeguard social stability. We should conscientiously do a good job in traffic control and fire fighting and promptly remove hidden perils of accidents. We should energetically consolidate public security, state security, and judicial ranks; replenish their force; enhance their quality; straighten out the work style of policemen; and strengthen their fighting power.

8. We should intensify efforts to build a diligent, clean, and honest government.

In the face of new situation and tasks, the entire government staff should unceasingly emancipate its mind, seek truth from facts, do practical things, exert real effort, strive for real results, resolutely oppose the behaviors of seeking short-term success and quick profits, oppose formalism, and oppose the wrong practice of making false and exaggerated reports and resorting to deception. We should carry forward the party's fine traditions, maintain close ties with the masses, care for their hardships, and realistically resolve the problems that primarily concern the masses. We should make persistent efforts to conduct the anticorruption struggle. Leading cadres should set an example to comprehensively carry out various regulations formulated by Central Discipline Inspection Commission and take the lead in keeping themselves honest and self-disciplined. We should establish and perfect the mechanisms of incentive and restraint applied to the leaders of state-owned enterprises. We should continuously do

a good job in investigating and dealing with major and serious cases and focus on investigating and dealing with law- and discipline-breaking cases involving leading organs, administrative law-enforcement organs, judicial organs, economic management departments, and leading cadres at and above the county (section) level. We should further check unhealthy tendencies in departments and trades. The entire government staff should regard serving people as the highest purpose, honestly and diligently perform its duties for people, and go into action to safeguard the image of the party and the government among the masses.

Fellow deputies, a new century is coming. Invigorating Ningxia's economy and realizing the grand trans-century targets is a glorious and arduous historical responsibility which we should shoulder. Let us hold high the great banner of building socialism with Chinese characteristics, closely rally around the party Central Committee with Comrade Jiang Zemin as the core, further emancipate our minds, heighten our spirits, advance in a pioneering spirit, do solid work, and make every endeavor to realize the region's Ninth Five-Year Plan and long-term target for the year 2010.

PRC: Qinghai Governor's Report on Five-Year Plan

SK2105034196 Xining QINGHAI RIBAO in Chinese
18 Apr 96 pp 1-3

[Report on the Outline of the Ninth Five-Year Plan for Provincial Economic and Social Development and Long-Range Objectives to the Year 2010, delivered by Governor Tian Chengping at the Fourth Session of the Eighth Provincial People's Congress on 8 Apr]

[FBIS Translated Text] Fellow deputies:

The period from 1996 to 2010 is an important historical period devoted to fulfilling the second-step strategic objective on the socialist modernization drive and to marching towards the third-step strategic objective. Formulating the blueprint for the whole province to march from this century to the next is of extremely great significance. The provincial people's government began making specific arrangements for formulating this blueprint as early as September 1994 under the direct leadership of the provincial party committee in line with the unified disposition of the CPC Central Committee and the State Council. All localities and departments did a lot of work for this and connected themselves with the pertinent state departments for some major construction projects. In September 1995, the fourth plenary session of the eighth provincial party committee adopted the "Proposal for Formulating the Ninth Five-Year Plan for the Provincial Economic and

Social Development and the Long-Range Objectives to the Year 2010," and set forth the fighting goals, guiding principles, and major tasks for the province's reform, opening up, economic construction, and social development in the next 15 years. Then, according to the guidelines of the "proposal," the provincial people's government formulated the "draft" outline" after soliciting opinions from all sides. Now, on behalf of the provincial people's government, I submit a report on the Outline of the Ninth Five-Year Plan for the Provincial Economic Development and Long-Range Objectives to the Year 2010 to the current session for your examination, along with the "draft" outline" itself, and also for suggestions and comments from members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC].

1. Review of Economic and Social Development During the Eighth Five-Year Plan Period

In the past five years, under the guidance of Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics and the basic line and basic principles of the party, the people of all nationalities in the province relied on their own efforts and worked hard for the prosperity of the province, thus smoothly fulfilling all tasks set forth by the Eighth Five-Year Plan.

Substantial progress was achieved in economic structural reform. With the establishment of the socialist market economic system as the target, the province has, since 1994, conducted reforms of the financial and taxation, banking, planning, investment, foreign trade, foreign exchange, and pricing systems. As a result, the market's role as the foundation of distribution of natural resources was strengthened; the dual management system of combining the household contract responsibility system with collective management was improved in rural and pastoral areas; experimentation for building the modern enterprise system was popularized in an all-round fashion; and a new step was taken in the reform of state-owned enterprises. In addition, Qinghai and Sanpu companies, whose shares were listed, achieved success in issuing stock; the flow and reorganization of the existing assets of enterprises were accelerated and strengthened; and the organization and structure of enterprises were readjusted. The reform of the circulation system continued to be deepened, and the building of the market system was accelerated. New progress was made in the reform of the social security system, and 98 percent of state-owned enterprises and 95 percent of staff and workers of state-owned enterprises acceded to the unified old-age insurance program. The reform of government organs was smoothly promoted. Fairly rapid

progress was made in the collective, individual, private, and foreign-invested sectors of the economy.

The scale of opening up continued to expand. Xining City was approved as an inland open city. The pilot reform and opening-up zone and the pilot natural resources development zone in Golmud ethnic areas, the Kunlun Economic Development Zone, the pilot Minhe Ethnic Economic Reform Zone, and the Datong Qiaotou Economic Development Zone were established in the province. During the Eighth Five-Year Plan period, the province's total import and export volume showed a yearly average increase of 17.1 percent, of which the rate of increase for the export volume was 15.2 percent. A total of 100 foreign-invested enterprises of the three types were registered in the province; \$360 million in foreign funds was actually put into use; \$64 million in multilateral and bilateral international support was accepted; 483 integrated projects were conducted with fraternal provinces and regions; 670 million yuan in funds was brought in from other provinces and regions; 415 windows were set up in outside places; and various autonomous prefectures, prefectures, cities, and counties established mutual support relations with 41 prefectures, cities, and counties in other provinces and regions.

The economy increased in a sustained manner and the overall economic strength was enhanced. During the Eighth Five-Year Plan period, the province's GDP showed an average annual increase of 7.6 percent if calculated in terms of comparable prices, up 2.4 percentage points over the Seventh Five-Year Plan period; and the local financial revenues across the province (including the consumption tax and value added tax of the central authorities) showed an annual average increase of 18.7 percent. The agricultural and animal husbandry foundations were strengthened. During the past five years, 36 projects on agricultural and animal husbandry comprehensive development were completed one after another; the province had a net increase of 184,000 mu of cultivated lands, increased useful irrigated areas by 86,000 mu, built 10.66 million mu of fenced-in grasslands, preserved 1.73 million mu of man-made forests, and basically built tree belts around farm plots in areas along the Huang He and Huangshui valleys in the eastern part of the province. Rural economy and animal husbandry economy were developed in an all-round manner, and the output of major agricultural and animal products noticeably increased over the Seventh Five-Year Plan period. Township enterprises developed rapidly and their output value showed an average annual increase of 30.1 percent over the Eighth Five-Year Plan period if calculated in terms of comparable prices. Thus, we fulfilled the development target set by the provincial party committee and the provin-

cial government one year ahead of schedule. Noticeable progress was made in the development of resources, and the total industrial output value showed an average annual increase of 9.8 percent. The output of major products, such as electricity, crude oil, steel and rolled steel, aluminum ingots, ferrosilicon, chemical fertilizer, asbestos, and gold increased by a large margin and production and marketing were well coordinated. During the Eighth Five-Year Plan period, banking business developed fairly rapidly and all kinds of loans increased at an annual average rate of 25 percent. The investment in fixed assets across the province reached 19.56 billion yuan, an increase of 8.62 billion yuan over the Seventh Five-Year Plan period. We successively completed the first-phase construction of the Qinghai potash fertilizer plant, the second-phase construction of the Qinghai aluminum plant, the Golmud oil refinery, and a batch of key projects and local resource development items, and cultivated a number of new economic growth points. Infrastructure facilities, including energy, communications, and telecommunications projects, were strengthened. Newly installed power capacity totalling 340,000 kilowatts was added to make the total power capacity reach 1.906 million kilowatts. The Qinghai-Tibet railway expansion and transformation project was carried out and the railway passenger and freight transport capacity increased remarkably. We built and improved highways totalling 1745 km in length and succeeded in upgrading the highways; completed construction of the second-grade airport in Caojiabao of Xining City and improved communications conditions. Posts and telecommunications developed rapidly. New city telephone switchboards with a capacity of 130,000 lines were added; the telephone network in Xining City was smoothly upgraded to seven digits; program-controlled telephones were installed in areas where the autonomous prefectural, prefectural, and city governments were located; and the comprehensive telecommunications capacity and quality as well as the level of technology and installations were greatly enhanced. The building industry developed and new achievements were made in geological prospecting work.

The income of urban and rural people increased and their living conditions improved continuously. During the Eighth Five-Year Plan period, the average per capita income for living expenses of urban residents showed an average annual increase of 5.8 percent not including inflation; and the average per capita net income of peasants and herdsmen showed an average annual increase of 4.1 percent. By the end of 1995, the savings deposits of urban and rural residents across the province totalled 8.27 billion yuan, an increase of 210 percent over the figure registered at the end of the Seventh Five-Year Plan period. The provincial

markets were brisk and the people's purchasing power increased. During the Eighth Five-Year Plan period, the province as a whole allocated more than 1 billion yuan in various kinds of funds to support the poor areas to develop over 1000 projects, and succeeded in making the poverty-stricken population in the rural and pastoral areas decline from 1.19 million in 1993 to 830,000 in 1995. Labor employment increased continuously and the housing conditions of the urban and rural people continued to improve. The average per capita living space was expanded, spiritual and cultural life was further enriched, and the quality of life improved.

All social undertakings were comprehensively developed and new achievements were made in building socialist spiritual civilization. The whole province conscientiously implemented the strategy of "Invigorating Qinghai With Science and Education," and succeeded in achieving 498 major scientific and technological findings during the Eighth Five-Year Plan period, 181 of which won state-, departmental- or provincial-level awards. The contribution rate of scientific and technological progress in economic growth rose from 26 percent during the Seventh Five-Year Plan period to 30 percent at present. New achievements were made in making nine-year compulsory education universal. During the end of the Eighth Five-Year Plan period, the school entrance rate of school-age children across the province was 87.4 percent. Some 16 counties and districts, accounting for 64.8 percent of the province's total population, basically made junior middle school education universal. New progress was seen in developing education for minority nationalities and adults, as well as secondary vocational education and higher education, educational quality was enhanced, and a batch of people were trained and delivered to society. Noticeable achievements were made in family planning. During the Eighth Five-Year Plan period, the average natural population growth rate was 14.41 per thousand, a decline of 3.038 percentage points, which was controlled within the planned target. New achievements were also made in cultural, arts, radio and television, press and publication, public health and sports, environmental protection, and social sciences work; in the work on women, children, old people, and handicapped people; as well as in tourist, foreign affairs, and Overseas Chinese affairs work. The personnel work was strengthened, while new headway was also made in sending relief and giving preferential treatment and social welfare. The comprehensive rectification of social security achieved some results, so social stability was maintained. We improved the building of an industrious and honest administration, deepened the anticorruption struggle, and investigated and handled some major and appalling cases. Nationality unity was promoted further. The socialist spiritual

civilization and democratic legal system saw conspicuous results.

Deputies:

In the Eighth Five-Year Plan period, we witnessed significant accomplishments in the economic and social undertaking. The fundamental factors contributing to these results lay in our unremitting efforts to take the road of socialism with Chinese characteristics, uphold the party's basic line, insist on implementing the economic development strategy of "reform and opening up, lifting people from poverty and make them rich, developing resources, and rejuvenating Qinghai," and correctly handle the relationship between reform, development, and stability. The results were also the fruit of the industrious labor of the people of the entire province. Meanwhile, they were also closely related to the great support and effective supervision from the all-level people's congresses and their standing committees as well as the concern paid and assistance made by the CPCC committees to the government's work. Here, I, on behalf of the provincial government, extend my cordial gratitude to all deputies to the people's congress and members of the CPCC committee, and also pay my respect to workers, peasants and herdsmen, intellectuals, and cadres, who struggled at all fronts, and to PLA stationed in Qinghai, officers and men of the armed police forces, and the whole body of public security cadres and police.

When affirming results, we should also perceive the problems and difficulties in advancement and the drawbacks in the government's work. The conspicuous problems are: In the last two years of the Eighth Five-Year Plan period, the inflation was on the high side, and influenced the lives of the low-income people. The management difficulties of state-owned enterprises were relatively numerous, and the management mechanism failed to cope with the requirements of a socialist market economy. The foundation of agriculture and animal husbandry was relatively weak, and the production of grain was low and unstable. The impoverished population of the province was still large, and the task to shake off poverty remained strenuous. Finances were difficult due to funds input. In social and economic aspects, negative and corruption phenomena existed. The work of some departments and regions lacked creativity, while the pioneering spirit was not strong. Social security of some localities was unsecured. It is imperative for us to maintain a sober mind, spot differences, face difficulties squarely, work hard to improve tasks, conscientiously resolve problems, and make more conscious efforts to achieve advancement.

2. The Fighting Goal and Guiding Principle of the Next 15 Years

The upcoming 15 years is an important period for our reform, opening up, and modernization drive, inheriting the past and ushering in the future. In these 15 years, we have rare development opportunities and preferential conditions. First, we have the correct leadership of the party Central Committee with Comrade Jiang Zemin as the core, and the theory of the socialist market economy, and party's basic line and basic principle, which were developed through practice, to point out the correct direction for our reform and development. The "proposal" approved by the fifth plenary session of the 14th party Central Committee clearly set forth the important guiding principle of "upholding a coordinated development of regional economy and narrowing regional gap step-by-step." In particular, when Comrade Jiang Zemin joined the group discussion of the Shaanxi delegation at the National People's Congress meeting, he pointed out that our state will pay much more attention to and support the development of China's western region from the Ninth Five-Year Plan period, and implement the policy conducive to alleviating the trend of increasingly large difference between the east and west, and the state will also increase the momentum of all the tasks in an effort to narrow the gap. The central authority has made the decision, clearly defined the principle, and set forth basic measures. The key is to combine the efforts of the upper and lower levels to embody all the arrangements and measure relating to the development of the western region of China. Premier Li Peng also set forth in the "Outline" that the state will stipulate and approve the six-aspect policies and measures to increase the momentum to aid the poor and support the development of the central and western region. Therefore, we will certainly obtain more assistance. Second, the country as a whole is deepening reform step by step with the goal of setting up a socialist market economic system; and continues to expand the scale of opening up and to maintain sustained, fast, and sound development of the national economy. This will produce a positive impact on our province's reform, opening up, and economic construction. The readjustment and upgrading of the industrial structures of the coastal areas, and the step-by-step shift of the focus on developing energy resources, raw materials, and labor intensive industries to the central and middle areas of the country will provide us with new favorable opportunities to bring in capital, technology, skilled persons, and management experience; to conduct regional economic cooperation; and to develop natural resources. Third, our province has rich natural resources and wide prospects for development. Through reform and opening up, our province has laid good material and technological foundations and has created condi-

force and accumulated forces to accelerate the pace of development. As a province being behind the others in development, Qinghai should study and use for reference the developed areas' successful experiences, bring in advanced technology and managerial methods, and positively promote the change of the economic system and the economic growth pattern in an effort to make rapid development. Particularly over the past years, we have formulated and also conscientiously implemented the economic development strategy of "conducting reform, opening to the outside world, shaking off poverty, seeking wealth, developing natural resources, and rejuvenating Qinghai." In the course of practice, we have unified our thinking, intensified our contingents, and accumulated experiences. The people from higher levels downward across the province have unified their thinking about a series of major issues on economic development and reform and opening up work in the next 15 years. Simultaneously, with strong aspirations for accelerating the pace of development, deepening reform, and expanding the scale of opening up, the people of all nationalities have been inspired with enthusiasm. So, the province's situation characterized by economic development, social stability, and national unity will be maintained for a long period of time, and will further be revitalized along with the deepening of reform and the expansion of the scale of opening up. Fourth, in the foreseeable future, China will continuously maintain the peaceful international environment and the good relations with its neighboring countries, further expand the economic and technological cooperation ties and trade contacts with foreign countries, and extend the investment by foreign traders and Hong Kong, Macao, and Taiwan compatriots from coastal areas to the interior. This has provided our province with favorable conditions for expanding the scale of opening up.

We will come across the following principal factors affecting our province's development: Overall economic quality is on the low side. So, we will bear stronger pressure in the increasingly keener market competition. Being an inland province, with backward infrastructure facilities, and with relevant difficulties in assimilating investment, Qinghai will suffer a strain in capital for a longer period of time. Along with the acceleration of the pace of economic construction and the development of various undertakings, we are short of specialized technicians and management personnel in many fields. The idea of closing the province to the international intercourse and some backward ideas are factors which cannot be ignored.

Generally speaking, we will not only have rare favorable chances for development but also face grim challenges in the course of advance. Under the leadership of

the party Central Committee, the State Council, and the provincial party committee, we should further emancipate the mind, change ideas, be inspired with enthusiasm, grasp favorable opportunities, overcome difficulties, welcome challenges, and capture new victories.

The province's major fighting goals in the next 15 years include: In the Ninth Five-Year Plan period, the province should register an annual average increase of GNP by 9 percent and fulfill the target of quadrupling the GNP a year ahead of schedule. In this period, we should have the majority of the urban and rural people attain a moderate prosperity level, should enable the peasants and the herdsmen who are now under the strained circumstances to basically have sufficient food and clothing, should accelerate the setup of a modern enterprise system, and should preliminarily set up a socialist market economic system. During the 10 years after the Ninth Five-Year Plan period, we should witness a yearly average increase of the GNP by 10 percent. By 2010, both the GNP and the per capita GNP should increase by more than 100 percent over 2000. The urban and rural people in the province should basically become fairly well-off by 2005 and should be more moderately prosperous by 2010. By 2010, we should perfect the socialist market economic system, elevate the science and technology and education to a new height, and gradually build Qinghai into a civilized, wealthy, prosperous, and progressive new province. The targets mentioned above give full consideration to Qinghai's actual conditions and fully reflect the demand for narrowing the gap step by step and the spirit of surmounting difficulties and braving the way forward. They also comply with the overall objective of the country. With these targets fulfilled, Qinghai's productivity, overall strength, and living standards will all be promoted to a new height, and a solid foundation will be laid for attaining the third-step strategic objective in the middle of the next century.

To accomplish the targets mentioned above, we should take the party's basic theory, basic line, and basic principles as the guide; continue the strategy of "conducting reform and opening up, tackling poverty to achieve affluence, exploiting resources, and revitalizing Qinghai" for economic development; add impetus to exploitation of resources; accelerate the process to shake off poverty and achieve affluence; expedite industrialization; and facilitate sustained, rapid, and healthy economic development and comprehensive social progress. Focusing on this overall idea, we should conscientiously implement the eight principles put forward in the "proposal," which was adopted at the fourth plenary session of the eighth provincial party committee, when carrying out our specific work in the future. These eight principles, which

were formulated based on the "proposal" of the party Central Committee and Qinghai's practice and experience, have an important significance in guiding Qinghai's economic and social development for the coming 15 years.

The following is an explanation on the several issues concerning the guiding thoughts to which we have given particular consideration during the formulation of the "(draft) Outline."

First, the demand for developing the socialist market economy should be reflected. As Qinghai's first mid- and long-term plan in the condition of developing the socialist market economy, the "(draft) Outline" should pay attention to the basic role of the market in the distribution of resources under macro-control. For this reason, we have paid attention to making the "(draft) Outline" embody the nature of the plan as a macroeconomic plan, a strategy, and a policy. As the means of distribution of resources, the provincial-level plan focuses on implementation of the state's macro-control policy and on the regulatory role in local economy. It also arranges local basic industries, infrastructure, public and social undertakings, and other key construction projects. Serving as a forecast and guide, the targets put forward in the plan emphasize the direction of economic and social development, strategic tasks and measures, and other overall arrangements, and also set some quantity indexes and construction projects that will have a significant influence in Qinghai's economic and social development. Other indexes and projects will be specified in detail in annual plans. The "(draft) Outline" puts the focus on the Ninth Five-Year Plan and comes up with the long-term targets for the first 10 years of the next century, thus coordinating the development in the last period of this century with the development in early next century and maintaining the continuity of the "three-step" development strategy.

Second, the changes in the economic system and the economic growth pattern should be actively promoted. The party Central Committee pointed out in the "proposal" that the key to attaining the targets to fight for in the next 15 years lies in realizing the changes from the planned economy system to the socialist market economy system and from the extensive economic growth pattern to the intensive economic growth pattern. As a region falling behind in development, Qinghai will find it more urgent and more important to realize these two fundamental changes. Although we are economically backward, we must never fall behind in reform and opening up. We should further emancipate our mind, enhance the sense of reform and opening up, carry forward the spirit of braving the way forward, encourage creative work, adopt various effective measures to deepen

reform and opening up, facilitate the change in the economic system, and bring new vigor to economic development. Meanwhile, the "(draft) Outline" prominently reflects the change in the economic growth pattern either in its guiding thoughts or in its arrangements for industrial development and construction projects. Based on Qinghai's specific conditions, we should both increase the increment and enliven the reserves, and both develop new economic growth points and improve the quality and efficiency of enterprises based on their current foundation, if we are to facilitate the change in the economic growth pattern. This way, we will achieve unity between the increase in quantity and the improvement in quality, and will blaze a new road featuring both high speed and high efficiency. Changing the economic growth pattern deals with a wide range of fields. The "(draft) Outline" prominently stresses the following main points: First, implement the strategy of rejuvenating Qinghai with science and education and continue to upgrade the overall economic quality and the overall quality of laborers. Second, rely on science and technology, popularize measures for increasing production, apply more scientific methods for farming and animal breeding, and increase the effective supply of farm and livestock products. Third, strengthen the construction of infrastructure facilities and upgrade the technological levels of the existing facilities. Fourth, according to the thinking of catering to the needs of markets, making a unified plan, comprehensively making development, expanding scales, upgrading levels, and gradually extending chains of industries, we should upgrade both the quality and efficiency of developing natural resources. Fifth, increase the technology input in the existing enterprises, achieve the structural readjustment, and accelerate the pace of conducting technological transformation among enterprises and of reorganizing enterprises' existing property. Sixth, strengthen the scientific management of enterprises and strive to upgrade the management level. Seventh, implement the strategy of developing famous-brand products to promote the development of the economy and develop a number of readily marketable famous-brand products and the products which are able to occupy markets through competition. Eighth, implement the strategy of achieving a coordinate and sustained development by practicing the economy, controlling the population growth rate, rationalizing the utilization of natural resources, and protecting the environment.

Third, we should handle the relationship between reform, development, and stability well. This is the main idea guiding the formulation of the "(draft) Outline." Being an economically undeveloped province with minority nationalities, Qinghai should mainly rely on development to solve its problems. Development is an un-

changed principle. Only by accelerating the pace of development will we be able to create good conditions and material foundations for reform and stability. Development needs reform while reform is the motivation of development. Only by continuously deepening reform will we be able to get rid of the thinking of closing the province to international intercourse; to promote the opening of the province to the outside world; to introduce increasingly more domestic and foreign capital, technology, and skilled persons; and to accelerate the development of the economy. To rejuvenate the economy, we must strengthen the unity of various nationalities and maintain social stability. In the next 15 years, the province as a whole will come across new situations and new tasks for reform, development, and stability. So, we should pay attention to solving the major problems related to reform and development; accurately handle the relationship between reform, development, and stability; make them coordinately promote one another; and maintain sustained, fast, and sound development of the economy.

Fourth, implement the policy of self-reliance and arduous struggle and positively expand the scale of opening up. Our province's GNP is low. From now on, we should increase input to develop a group of key projects, expand the dynamics of technological transformation, and expand the economic aggregates. The "(draft) Outline" arranges that in the Ninth Five-Year Plan period, 52 billion yuan should be invested to add fixed assets, much more than the investment in the Eighth Five-Year Plan period. The expansion of input and the acceleration of the economic development cannot be divorced from the state support and the assistance of the economically developed areas. However, we should mainly rely on our own efforts, work arduously, keep forging ahead, strive to improve the work in all spheres, and gradually enhance our self-development ability. From now on, we should not only strive for state assistance but also further expand the scale of opening up; should open the province to not only foreign countries but also domestic areas; should positively develop basic industries and infrastructure facilities with both domestic and foreign capital; should transform the existing enterprises; and should accelerate the development of the economy.

Fifth, give different guidances to different areas, promote coordinated development of all localities, and seek common wealth for the people of all nationalities. The localities in our province differ greatly in development. So we must give different instructions to different localities. The "(draft) Outline" sets forth the following guiding principles: Reasonably define an orientation for developing the regional economy so as to promote the establishment of an economic pattern with regional characteristics.

The areas with conditions should be encouraged to develop ahead of others so as to turn as soon as possible natural resources into economic advantages. Continuously carry out the policies on supporting the development of the southern areas of the province and some other poverty-stricken areas, provide capital and preferential policies first to these areas, accelerate these areas' reform and development pace, and promote coordinated economic and social development of all localities.

Sixth, we should uphold the principle of "attaching equal importance to and achieving success in material and spiritual civilizations," so as to achieve a coordinated development of the economy and the society. During the process of developing the socialist market economy, a sea of change will occur in all sectors, and we will also face many new contradictions and problems. Therefore, we should insist on the principle of attaching equal importance to and achieving success in material and spiritual civilizations, reinforce the ideological and political education, and promote the whole people's ideological and political level as well as social ethics. The socialist culture should be boosted, and all the social undertakings should be developed. Efforts should be made to promote an industrious and honest administration, and we should resolutely correct unhealthy trends in trades. Meanwhile, we will carry out such basic national policies of family planning, environmental protection, and protection of cultivated land with unremitting efforts, and achieve a sustainable development.

3. The Main Task of Economic Construction and Social Development

A. We should develop the economy of rural and pastoral areas in a comprehensive manner, and step-by-step achieve the goal of food self-sufficiency.

The economic development of rural and pastoral areas directly affect the immediate interests of peasants and herdsmen, and relates to the general situation of the economy and social stability. Therefore, it is imperative to place advancement of agriculture and animal husbandry in the primary place, and push forward the comprehensive development of rural and pastoral economies with a focus on increasing the effective supply of farm products and on increasing the income of peasants and herdsmen. In the next fifteen years, as the population increases and the economy develops in a rapid manner, the food will be in great demand, and the contradiction between supply and demand will be sharp. If we fill the gap between supply and demand by transferring grains, we will face an increasingly strenuous job of transferring grains, besides, the finance will also be difficult due to the costly expense. It is obvious that achiev-

ing success in grain production is of great importance in our development hereafter. In view of this situation, the "draft" Outline clearly set forth that, up until the year 2000, we should achieve a total grain production of 1.35 million tonnes, and promote self-sufficiency to degrees that we can basically supply the demand of vegetables, eggs, and meat by ourselves. Up until the year 2010, a total grain output of 1.8 million tonnes should be achieved to become basically self-sufficient. Difficulties do exist in the work of achieving self-sufficiency in grain demand, but good conditions are also there for us. As long as all sectors make effective efforts, we will be able to become self-sufficient. To fulfill the target of being self-sufficient, the agricultural development should stick to the principle of "expanding cultivated land, paying attention to per-unit production, establishing bases, and reinforcing reserved forces," protect cultivated land with all-out efforts, and develop in depth and in breadth. First, we should establish the system of protecting cultivated land, ban unreasonable occupation of land, and gradually expand the land growing grains. Second, we should reinforce the construction of water conservation works to improve the production conditions for agriculture. In the Ninth Five-Year Plan period, we will build the Haiquan Reservoir, the northern main canal of the Huangshi River, and the irrigation project of the oasis in Qaidam Basin. Third, we will continue to achieve success in the comprehensive development of agriculture, and strengthen the reserve force for agricultural development. The east part should focus on in-depth development while the west part on in-breadth development, and it is imperative to implement the intensive-type management. The south part should work hard to improve the capability of grain production. Fourth, we should accelerate the construction of commodity-grain bases, and commercialize farm products. After consolidating the construction of the state-level commodity grain bases of Huzhu, Huangzhong, and Datong, we will add more bases—Minhe, Ledu, Hualong, Dulong, and Guide—, and promote the composite grain production capability of the major agricultural counties. Continuous efforts will be made toward the oil-bearing grain bases such as Manyuan and Guluan. Importance should be attached to tapping the development potential of the state-owned farms so to turn them into bases with steady production of farm and sideline products. Fifth, reform should be conducted toward the traditional cultivation system. It is imperative to make great efforts to disseminate all kinds of measures conducive to increasing production, and upgrade the level of agroscience and technology.

Animal husbandry occupies an important position in the province's economy. The animal husbandry development principle — "regarding grass cultivation as an industry, readjusting its structure, and increasing its to-

tal output and commodity rate" — should be carried out in an even more conscientious way. Construction of infrastructure facilities in grasslands should be accelerated and the comprehensive production capacity should be enhanced, with the improvement of the ability to resist natural calamities as the target, and with the efforts to enrich grass resources and invigorate animal husbandry as the central task. The areas in southern province should emphatically grasp the grassland capital construction and the construction of natural disaster prevention and resistance bases, with the "four coordinations" as the focus. The areas around lakes should emphatically engage in livestock breeding through scientific means with a view to gradually changing from traditional animal husbandry to modern animal husbandry. Rural areas should emphatically develop and support the major animal breeding households and strive to march from the traditional breeding to scientific and intensive breeding. The prevention and curing of animals' diseases should be strengthened, and the construction of capital water conservation facilities on grassland should be intensified. The animal husbandry structure should be optimized further, the ratio between different varieties of animals be appropriately readjusted, the fine species of animals be popularized rapidly, the breeds of sheep be improved, and the proportion of fine breeds of sheep be increased. In addition, we should increase the rate of slaughtered livestock, accelerate the circulation of livestock, raise the commodity rate of animal husbandry, and gradually give rise to a national livestock products base.

Diversified businesses should be developed in line with local conditions. Under the prerequisite of maintaining the steady increase in grain output, we should encourage peasants and herdsmen to combine the cropping industry with the breeding and processing industries, bring along the integration of agriculture, industry, and trade, and develop an agriculture and an animal husbandry featuring high output, high quality, low consumption, and high efficiency. Attention should be paid to building the vegetable bases in Xining city, Haidong Prefecture, and Golmud city; building the lean pork production bases in Xining city and Haidong Prefecture; building the straw cattle breeding bases in Haidong Prefecture, and building the 100 million fine-wool sheep breeding base in rural areas. We should develop the aquatic products breeding industry and achieve success in building the bases of such brand-name, fine-quality, local, and special products as broad beans, Chinese caterpillar fungus, fine-quality apples, Chinese wolf berry, "three thorns (san ci 0005 0459)," wool goats, and Xining wool. We should also intensify the building of the demonstration areas that develop a highly efficient type of agriculture and animal husbandry that provides

greater and better yields along the middle and lower reaches of Huang Shui.

Great efforts should be made to develop township and town enterprises. With markets as the guidance, we should take full advantage of local natural resources to develop a number of enterprises whose source of goods are ensured, products are readily marketable, and efficiency good. We should positively guide the possible town and township enterprises to change from selling primary products to engaging in reprocessing industry, to develop appropriate-scale businesses, to raise the overall economic efficiency, and, in particular, to improve their aggregate volume and level by laying emphasis on key areas, key professions, and key projects. At the same time, we should combine the development of township and town enterprises with the construction of small industrial zones, small market towns, and relatively well-off villages. We should also build a group of township and town enterprise industrial zones to bring along the building of small urban towns and relatively well-off villages.

Wiping out poverty by the end of this century is a strategic task. At present, 830,000 peasants and herdsmen in the province still suffer from poverty. It is an extremely arduous task to basically resolve eating and clothing problems for these people by the end of this century. In line with the demand of the province's seven-year poverty eradication program, we should triumphantly fight the poverty eradication battle, with the dried mountain areas in the east and the areas in the south as the emphasis and with the poverty-stricken townships, villages, and households in poverty-stricken counties as the main targets. While attending to the cropping and breeding industries, we should positively develop the poverty eradication development projects that consume less investment, yield rapid results, cover a wide range of areas, produce high efficiency, and are conducive to directly resolving the people's problems in eating and clothing so that poverty-stricken areas will be able to develop themselves more through their own efforts. We should also help poverty-stricken areas to successfully build infrastructure facilities, to invigorate themselves through science and technology, and to resolve the shortage of drinking water for the people and for animals.

We should continue to deepen the reform in rural and pastoral areas, stabilize and perfect the production responsibility system, with the household output-related contract system as the main part, and the dual management system characterized by unity and separation, and speed up the industrialization of agriculture and animal husbandry. New mechanisms and new methods should be explored for supporting, protecting, and promoting

the development of agriculture and animal husbandry. The collective economic organizations in rural and pastoral areas should be encouraged and supported to initiate economic entities through the shareholding cooperative system in order to enhance the strength of the collective sector of the economy. At the same time, we should vigorously develop the socialized service system in rural and pastoral areas and attend to the pre-production, production, and post-production services for agriculture and animal husbandry. We should also truly reduce the burden on peasants and herdsmen in order to protect their enthusiasm.

B. We should accelerate the development of natural resources and vigorously develop industry and the building industry. We should continue to implement the economic development strategy characterized by "conducting reform, opening the country to the outside world, eliminating poverty, seeking wealth, developing natural resources, and rejuvenating Qinghai"; unswervingly increase investment; expand the dynamics of development; and ceaselessly expand the economic aggregates. In the coming 15 years, we should rely on natural resources to build a number of large-scale high-tech projects to meet the urgent needs of the markets at home and abroad, to produce a great impact on the province's economic development, and to produce a number of products with competitiveness. In developing natural resources, we should stress the following main points: First, set up a mechanism of development on a snowballing basis and accelerate the development of hydropower resources along the upper reaches of Huang He. In the Ninth Five-Year Plan period, we should complete the construction of the Liji-axia hydropower station and start the construction of the Gongboxia hydropower station. Simultaneously, localities should pay attention to the construction of small and medium-sized hydropower and thermal power stations. It is imperative to achieve the construction of a provincewide power network and to complete the construction of a 330-kilovolt power transmission and transformation project linking the Qinghai power network with the Golmud power network, and the construction of a 110-kilovolt power transmission and transformation project for the Golog Zang Autonomous Prefecture and the Haibei Zang Autonomous Prefecture. By the end of this century, the province's power installed capacity should reach four million kilowatts, and its annual power generation volume should reach 16.2 billion kilowatt hours. Second, accelerate the development of the Qaidam Basin's salt lake resources; use salt lake resources to develop the chemical industry centering on the production of potash fertilizer; and comprehensively use potash, sodium, magnesium, lithium, strontium, and boron to develop a series of chemical industrial prod-

ucts. Third, develop petroleum and natural gas resources and the petrochemical industry. We should strengthen geological prospecting, increase petroleum and natural gas reserves, increase the crude oil and refined oil production capacity, build natural gas development projects and gas pipelines, and develop the petroleum and natural gas chemical industries. Fourth, vigorously develop nonferrous metal and nonmetal minerals and develop the raw materials industry centering on the metallurgical and building materials industries. It is imperative to vigorously develop the smelting industry dominated by the nonferrous metals, ferroalloy, and specialty steel; and to gradually build key state bases for production of the products with high energy consumption. We should further expand the scale of gold production so as to build the southern area of the province and the Qaidam Basin into gold production bases. At the time of grasping the construction of key state projects, we should increase investment to continuously promote the development of localities' natural resources and to emphatically develop the projects with good conditions, less investment, fast efficiency, and influential functions. Through the efforts in the next years or so, we should complete the construction of key state hydropower, potash fertilizer production, petrochemical industrial, and nonferrous metal bases.

Enterprises should pay high attention to conducting technological transformation and readjusting their structures. Enterprises should increase the input in technological transformation and focus their efforts to readjust their organizational structures and product mixes. We should positively introduce new high-tech and advanced equipment from foreign countries and rely on other provinces' large enterprise groups to accelerate our old enterprises' technological transformation in an effort to expand our development capacity. We should pay attention to upgrading the standing of products and applying advanced technology; and help key trades and key enterprises create famous-brand products, upgrade product quality, and expand the production scale; and upgrade their overall quality. Some enterprises should break down the barriers between industries so as to make best use of the existing assets to develop advantageous industries. In regard to the transformation of the light and textile industries, we should readjust the product mix; develop new products; and upgrade the quality, standing, and processing level of products. With the focus on the upgrading and updating of products and the development of new products, we should conduct technological transformation mainly among papermaking, salt refining, aluminum products manufacturing, bone glue, and textile industries; promote technological progress; and upgrade products' technological level and product quality. The medical industry should

base itself on the province's advantageous resources to develop new, famous, special, high-quality, and value-added products, such as chemicals, traditional Chinese and Tibetan medicines, and biochemical medicines, to meet the urgent demands of markets. In regard to the development of the building industry, from now on, we should concentrate main efforts to build state and provincial key projects, urban construction projects, and urban and rural residential houses; to upgrade the quality of the projects and the quality of the building industry; and to accelerate the pace of development.

C. We should continue to improve construction of such infrastructural facilities as transportation and postal and telecommunications. We should continue to achieve success in the renovation of the Qinghai-Tibet Railway to boost its function and expand the capacity to handle transportation of Hainan-Golmud section. The Xining Railway Station should be expanded. It is imperative to renovate the section in our province of the Lanzhou-Qinghai Railway, and promote its transportation capacity. Active efforts should be made to make the construction of the Xining-Chengdu Railway to become one of the early-stage projects of the state's Ninth Five-Year Plan, and efforts should also be made to make the construction to be started as soon as possible so we can have a second passageway leading to other provinces. Meanwhile, the transformation and upgrading of major highways should be accelerated, and the roads linking our national highway with other provinces' should be opened. The roads for special purpose or for resource development should be constructed. Basically, we should accomplish a framework in which roads leading out of Xining to capitals of autonomous prefectures (prefectures) should be bituminized; roads between autonomous prefectures (prefectures) and counties should be upgraded; every township in rural areas should have access to highways; and more than 85 percent of administrative villages in rural areas should have access to highways. It is imperative to improve the service facilities of the Xining and Golmud Airports, open new air routes, and boost the capability to handle passengers and goods. We should start the construction of the Qinghai section of the first-grade main line of optical fiber cable that runs through Lanzhou, Xining, Golmud, and Lhasa; strengthen the communications equipment and transmission means of Xining, Haidong, Haixi, and Huangnan; accelerate the construction of the postal and telecommunications of the Qinghai Prefecture; and link the telephone network of the capital of prefectures, autonomous prefectures, cities, and counties throughout the province to the national automatic exchange network. Great efforts should be made for the construction of the public facilities of urban and rural areas. Priority should be given to the construction of the urban infras-

structural facilities of Xining and Golmud, however, the construction of autonomous prefectures and prefectures and their subordinate counties should also be improved. We should continue to upgrade the electricity, water, and gas supply of cities and towns.

D. We should raise construction funds with all-out efforts, and increase the total amount of investment. We should insist on the principle of raising funds through multi channels and investing by various investors, fully mobilize the initiatives of all quarters, and work hard to expand the total investment amount. This will be the important guarantee for the implementation of the Ninth Five-Year Plan and the long-term goal of the year 2010. With the rejuvenation of Qinghai's finance as the primary goal, we should strengthen tax collection and administration, and pay firm attention to increasing income and reducing expenditure. After ensuring stable financial growth, we should make expanding financial resources the central task, establish an encouragement mechanism, and actively cultivate some financially self-sufficient regions and businesses with great returns in taxes, so as to establish a fairly solid financial resource system before the turn of the century. It is imperative to strengthen all levels of finance, and promote their capability of making investment and developing by themselves. Credit is the major source of our construction funds, and we should assist banks to promote their financial strength and their ability to make investment. We should accelerate the transformation of commercial banks, broaden the field of banking business, increase the total amount of credit, optimize credit structure, make full use of credit, speed up funds circulation, enliven existing funds and assets, and upgrade the quality of credit. Energetic efforts should be made for the development of non-banking organizations, the cultivation and perfection of markets for direct money lending such as bonds and stocks, and channels for money lending should be expanded. Meanwhile, we should reinforce the early-stage work of construction projects, and actively strive for investment in the state. We should increase the impetus of attracting foreign funds, strengthen lateral cooperation, and introduce more funds from other provinces and abroad. We should encourage enterprises to accumulate funds by themselves and expand production capability by themselves. The idle funds in the society should be guided to establish industries. We should fully mobilize and bring into play the initiative of all quarters, so as to conspicuously increase the investment of our province in the Ninth Five-Year Plan period and guarantee the fund for exploring resources and developing the economy.

E. We should actively enliven urban and rural trades, and accelerate market construction. Unremitting efforts

should be made to build commodity markets, and to build in Xining and Golmud large- and medium-sized markets for general merchandise and the wholesale markets for production means which link to and attract other markets of our province. In Haidong Prefecture, we should build and develop a number of wholesale markets for grains, edible oil, and farm and sideline products. In the southern part of Qingnan and the lake areas, we should establish and develop some wholesale markets for animal products, vegetables, cattle, and sheep. In order to accelerate the flow of urban and rural commodities and to enrich the supply of commodities on markets, by the year 2000 we should create a commodity market network that covers all the places in the province and that is linked with the network of other provinces. This network should be backed by Xining Central Market, with the regional wholesale markets as the backbone and with urban and rural grass-roots commercial stores as the foundation. As demanded by the province's economic development and the progress of reform, we should accelerate the drawing-up of market laws, formulate and perfect market rules, straighten out and standardize the order in circulation, and check illegal competitions on markets so that markets will develop in a sound fashion. We should urge state-owned commercial and supplies enterprises as well as supply and marketing cooperatives to change their operational mechanisms, and should cultivate and develop a group of large commercial and trade groups featuring the integration of agriculture, industry, and commerce and the integration of production, supply, and marketing through the exchange and reorganization of assets, with backbone commercial and trade enterprises as the backing, so that the role of state-owned circulation enterprises as the main channel of circulation will be brought into full play. Aimed at strengthening and perfecting the function of commercial networks, we should energetically develop such new circulation organizations as chain stores, supply agencies, distribution and delivery centers, and direct distribution stores in order to promote the modernization of circulation. We should deepen the reform of supply and marketing cooperatives, broaden their business and service sphere, and establish and perfect the socialized service system in a bid to accelerate the development of commodity production in rural and pastoral areas. We should further perfect the system on purchase and marketing of major agricultural and livestock products such as grain, oil-bearing crops, beef and mutton. Besides, we should establish and perfect the system on purchase, marketing, and storage of essential commodities that are of vital importance to the nation's economy and people's livelihood. We should also establish and perfect the systems of grain risk fund, of the essential nonstaple food price fund, and of the price

regulation fund. We should enhance the government's capability of market control and achieve a balance between the total supply and the total demand of essential commodities in order to create a fine market environment for the sustained, rapid, and sound development of the economy and society during the Ninth Five-Year Plan period until the year 2010.

F. We should conscientiously carry out the strategy of "invigorating Qinghai through science and education" and effect coordinated and sustainable development of the economy and society. Science and technology means the primary productive forces. We should persist in the principle that "economic construction and social development must rely themselves on science and technology, and scientific and technological work must be geared to economic construction and social development." We should deepen the reform of scientific and technological system, optimize the structure of scientific research institutes, and encourage scientific research institutes and personnel to enter the main battlefield of economic construction. We should establish the mechanism that enterprises have full authority for blazing new trails and should accelerate the technological transformation and scientific and technological progress of large and medium-sized enterprises. We should promote the integration and cooperation between scientific research institutes, institutions of higher learning, and enterprises with a view to accelerating the translation of scientific research achievements into productive forces. We should begin to establish a scientific and technological system that is suitable for the socialist market economic system and for the self-development of science and technology by the end of this century. We should persistently focus scientific and technological work on major, hot, and difficult problems concerning economic and social development, and on the research in comprehensive utilization and exploitation of salt lake resources, mineral resources, and agricultural and animal husbandry resources. The work on popularizing sciences should be conducted actually and satisfactorily. Importance should be attached to research in new and high technologies, and domestic and foreign advanced and practical technologies should be imported and spread in the province with all-out efforts in order to get the rate of contribution made by scientific and technological progress to economic growth reach 35 percent by the year 2000 and 45 percent or more by the year 2010.

Education is of fundamental importance to the fulfillment of our great long-term mission. Hence, we should truly place education in a strategic position and develop it on a priority basis. We should conscientiously implement the policies and measures on education development, carry out the target responsibility system for

compulsory education, firmly and unswervingly promote basic education, accelerate the development of ethnics education, vocational education, and adult education, and pay attention to education of the poor people. We should make elementary compulsory education universal throughout the province and make the nine-year compulsory education universal among 68 percent of the province's population by the year 2000. And, by the year 2010, the nine-year compulsory education should be made basically universal across the province. To meet the demands set by economic and social development on professionals, we should go all out to readjust the structure of higher education and secondary vocational education, optimize the specialties in colleges and universities, promote the joint operation of colleges and universities, and improve the educational quality and operational efficiency. By the year 2010, the number of students studying at ordinary institutions of higher learning should reach 10,000 in order to alleviate the shortage of professionals. We should give impetus to the work on wiping out illiteracy in rural and pastoral areas, energetically develop the training on practical techniques with a view to basically extricating all young and middle-aged people from illiteracy and obviously improving the quality and labor skills of peasants and herdsmen by the year 2000. We should strengthen the building of the ranks of teachers; improve working, study, and living conditions of teachers; and basically resolve housing problems for teachers by the year 2000.

We should firmly implement the basic national policy of family planning, control population growth, and improve the quality of population. We should intensify the propaganda and education in family planning, advocate late marriage, late childbirth, sound delivery and upbringing, and enhance all the people's sense of population and awareness in family planning. We should persist in the system of responsibility for management of family planning targets; place the focus of the family planning work on rural and pastoral areas, poverty-stricken areas, and transients; link the work to the endeavors of developing rural and pastoral economies, eliminating poverty and achieving affluence, and building civilized and happy families; improve the grass-roots family planning management and service organizations; do a good job in the technical guidance and service related to family planning; and make sure that family planning is practiced in rural and pastoral areas and among transients. Qinghai's population should be kept within 5.23 million by the year 2000, and within 5.78 million by the year 2010.

The principle of "attaching equal importance to health protection and medical care, with prevention as the main" should be carried out comprehensively to make

sure that primary health care service is provided to everyone step by step during the Ninth Five-Year Plan period. With the work focus put on rural and pastoral areas, we should consolidate and develop the three-level health care networks in rural and pastoral areas and ease the lack of medicines and doctors in rural and pastoral areas more quickly. We should launch extensive patriotic health campaign in urban and rural areas and achieve success in the prevention and treatment of contagious, occupational, and endemic diseases. Development of traditional Chinese and Tibetan (Mongolian) medicine should be expedited. Management of medicine markets should be strengthened. We should develop sports activities, implement the all-people health plan, and carry out multi-form sports activities in urban and rural areas to enhance people's health. We should upgrade the level in competitive sports.

We should protect the ecological environment and exploit and utilize resources in a reasonable manner. We should attach great importance to the protection of the ecological environment and rational utilization of resources and enable cadres and the masses to embrace a stronger sense of resources and environmental protection. The principle of "taking preventive and controlling measures simultaneously, with the focus on the former" and the principle of "making those who create pollution responsible for controlling the pollution and those who develop a project responsible for protection of the environment" should be adhered to, and the policies and measures for protecting resources and environment should be conscientiously implemented, so that exploitation of resources, economic construction, urban and rural development, and environmental protection can be planned in a unified manner and implemented simultaneously. Resolute and effective measures should be adopted to strengthen the control and treatment of urban industrial pollution. We should establish and improve the systems for environmental protection and paid-for use of resources, step up efforts to establish the organs for environmental protection and for management and protection of resources, and crack down according to law on all law-breaking activities that endanger the ecological environment and seriously damage resources. Environmental pollution in Xining and Gohaid cities and the areas along Huang (Hui) should be brought under control by the year 2000.

4. Actively Facilitate the Economic Reform and Continuously Open Wider to the Outside World

For Qinghai's reform during the Ninth Five-Year Plan period, we should acquire a better understanding of the characteristics of the times and the need for coordinated and comprehensive development of the reform, carry out

the overall reform while making breakthroughs in key areas, and proceed from the specific conditions of the province to promote reform in a down-to-earth manner and with realistic measures.

A. We should achieve success in the reform of state-owned enterprises, with an aim to establish the modern enterprise system. After acquiring a comprehensive and accurate understanding of the basic features of the modern enterprise system, namely "clearly defined property rights, clearly defined rights and responsibilities of enterprises, separation of government function from business management, and scientific management," we should expedite the enterprise reform during the Ninth Five-Year Plan period. State-owned large and medium-sized enterprises should initially establish the modern enterprise system and truly become the legal persons and the major participants in the market competition, who are responsible for independent management, for their own profits and losses, and for self-development and self-restraint. Brave exploration and innovation are needed in establishing the modern enterprise system. We should conduct reform, reorganization, and technical transformation and strengthen management simultaneously, establish and improve the various supporting measures for reform, with the focus on establishment of systems, and bring the relationship between various sectors into better balance. We should expedite the fluidity and reorganization of the reserve assets, carry out strategic reorganization at state-owned enterprises, and achieve success in Xining city's experiment project to optimize state-owned assets. Guided by the market and the industrial policy, we should successfully run large enterprises, decontrol and invigorate small enterprises, and support those that are strong and have advantages. Through such forms as amalgamation, cooperation and the shareholding system, we should expand the asset scale of a number of key enterprises and cooperate with a batch of enterprises to form several enterprise groups of a fairly big size. We should select some state-owned large and medium-sized enterprises with good economic efficiency, strong foundation and management, and good prospects for development and transform them into direct financing companies that can list their shares in the market. Most state-owned large and medium-sized enterprises should complete the reform of company system and reorganize themselves into limited liability companies or limited shareholding companies. As for state-owned small enterprises, we should accelerate the circulation and reorganization of assets through such forms as cooperation, contract, leading, bankruptcy, and auction. We should establish a mechanism that fits the market where efficient firms survive and inefficient ones die out and urge enterprises that have no hope of ending deficits and whose assets can-

not repay the debts to declare bankruptcy in line with law. Meanwhile, we should adopt effective measures to conscientiously solve the debt problems of state-owned enterprises; create conditions to gradually cover the social service functions of enterprises; establish the state-owned asset management, supervisory, and operational mechanism that clearly defines the rights and responsibilities so as to prevent the loss of state-owned assets; realistically do a good job in ending deficits, increasing profits and helping enterprises in extremely difficulty; further strengthen the internal management of enterprises, wholeheartedly rely on the working class, establish good leading bodies, and build a scientific management system.

Since urban and rural collective economy is an important component of the public sector of the economy, we should actively promote reform and development of the collective economy, give a free hand in developing the non-public sector of the economy, continue to encourage the development of individual, private and foreign-funded economic sectors, create an environment where market competitions are carried out on an equal basis, strive to raise the proportion of the non-public sector of the economy in the whole province's economy, and further invigorate the economy.

B. We should actively cultivate the market of the essential production factors. While further improving the commodity market, we should vigorously cultivate and standardize the markets of essential production factors such as the banking, technology, information, consulting, real estate, and labor forces markets; actively develop all sorts of intermediary organizations of market, establish all kinds of self-disciplined organizations such as the professional associations, trade councils, and the chambers of commerce, the attestation and notary organs such as the accountants' offices, lawyers' offices, and all sorts of market service organs, including the information and imputation centers and quotation units, as well as the inspection, measurement, and quality inspection organs to maintain market order.

C. We should establish and improve the social security system and comprehensively implement reform of the housing system. During the Ninth Five-Year Plan period, we should unceasingly improve the old-age pension insurance and the unemployment systems, expand the coverage of these systems, accelerate reform of the medical insurance system, promote injury and female workers' birth insurance system, and initially establish multilayered social security system which includes social relief, social welfare, preferential treatment and placement of retired servicemen, social mutual aid, and personal accumulation. We should apply legal means and the distribution policy, coordinate the distribution

relations between rural urban and rural areas, regions, trades and different social mass organizations, and gradually solve the problem of the excessively big disparity in social distribution. We should pay special attention to solving the problems that the living of workers of enterprises experiencing great difficulty and of low-income urban residents is extremely difficult. Housing system reform is a major affair affecting the immediate interests of the people. We should comprehensively promote the housing accumulation fund system, accelerate reform of the housing rent system, sell public houses step by step, pay attention to the "project on making residents have sound housing conditions" and the building of economical and suitable houses, strive to establish a new urban housing system that meets the needs of the socialist market economic system, and unceasingly raise the housing level of urban residents.

D. We should change the function of the government, and strengthen the capability of control and regulation. We should conscientiously change the function of the government in line with the needs of a socialist market economy. According to the unified arrangement of the state, we should take a further step to rationalize the relationship between planning, finance, and banking, establish and perfect the economic regulation system, use economic lever to successfully manage the economy, so to ensure the smooth implementation of the state's macroeconomic control and regulation. Further reform should be conducted towards the investment structure as well as the methods of investment and loans, and specifically define main investors and risks and responsibility of investment. The principle of simple, unified, and efficient administration should be followed when we stipulate and conduct further reform towards government organizations, continue to strengthen the economic department's capability to wield power of macroeconomic control and regulation, and reorganize the specialized economic administration department step-by-step into economic entities or other management organizations and units. Meanwhile, we should bring the function of such intermediate and self-disciplined trade administration organizations as trade associations and chambers of commerce into play so as to assist the government with the social and economic administration.

E. We should open up wider. To accelerate resource development and push forward the economic development of our province, we should open up wider to the outside world. With ten years of efforts, we have obtained a good start for the opening drive. However, to judge from the general situation, we haven't opened up wide enough. The current international and domestic situation is favorable to us. We should grasp the opportunity, emancipate our mind, break blockades, and

open up wider, so we can conduct reform to enhance opening up, open up to enhance exploration, and explore to enhance development. We should continue to implement the strategy of opening up our province to the outside world in an all-directional manner, and develop the lateral economic cooperation with the prosperous areas of our state with great efforts. It is imperative to strengthen the economic and technological cooperation with foreign countries, increase the momentum of attracting funds, and expand import and export. We should continue to improve the investment environment, adopt more flexible methods and special policies to woo the large-scale syndicates at home and abroad and multi-nationals to invest in our province. We should pay attention to striving for the loans of international banking organizations and governments, encourage and guide foreign investment to go to such infrastructural facilities as energy projects, raw material projects, communications, water conservation, and environmental protection; foundation industries; and technological transformation of enterprises. We should encourage enterprises to develop lateral technological cooperation with enterprises in other regions, in different trades, and with different ownership, so more state-owned business can realize high-level technological transformation. The reform of foreign trade system should be deepened, so we can establish as soon as possible an energetic foreign trade mechanism conforming to requirements of market economy and the international practices. We should adjust the structure of foreign trade enterprises, and encourage them to take the road of industrialization and to develop industrial and commercial syndicates. We should work hard to promote tourism, increase the momentum of propaganda to the outside world, and push forward the move of inviting foreign funds. It is imperative to continue to achieve success in running the Minhe nationality economic reform experimental zone, Golmud resource development experimental zone, Qianlun economic development zone, and Qiaotou economic and technological development zone; take a further step to perfect and strengthen the construction of the infrastructural facilities; and give full scope to the demonstration, radiation, and promotion function of development zones, experimental zones, and inland open cities.

5. We Should Strengthen the Socialist Spiritual Civilization and the Construction of a Democratic and Legal System

It is imperative to improve the building of ideology, morality, and culture. With unremitting efforts, we should use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to educate cadres and people; should develop the education of patriotism, collectivism, and socialist ethics; and should

conduct the education of the social morality, vocational ethics, and family ethics. We should continue to promote the thoughts and morality of the people of all nationalities, especially the youngsters, so to make people socialist citizens with ideal, morality, culture, and discipline. Among the cadres and people of our province, we should advocate the spirit of planting our feet in the highland, struggling arduously, forging ahead, and selflessly devoting ourselves, so to spur the all-nationality people to make contributions to the drive of rejuvenating the Qinghai Province.

We should uphold the principles of "serving the people and socialism," and of "letting a hundred flowers blossom and a hundred schools of thought contend" and promote the comprehensive development of cultural undertakings. We should use scientific theories to arm the people, correct public opinions to guide the people, noble spirit to portray people, and outstanding works to inspire the people, and provide spiritual motivation, intellectual support, media guidance, and ideological guarantee for economic construction, reform and opening up. We should successfully build cultural facilities, strengthen the management of cultural market, persist in conducting the struggle against "pornography and illegal publications," purify the social environment, and guarantee the sound, brisk and orderly development of the urban and rural cultural markets. The social science sector should emphasize the study of major theoretical and practical problems in the province's reform and development.

We should strive to improve socialist democracy and the legal system. Continued efforts should be made to build the socialist democratic politics and safeguard the people's right and interests to serve as masters of their own affairs. Governments at all levels should consciously accept supervision from the people's congresses of the corresponding level and their standing committees and from the broad masses of people, and voluntarily strengthen relations with the CPPCC, various democratic parties, mass organizations, and non-party patriotic persons. We should support the work of trade unions, Communist Youth League, Women's Federation, and mass organizations; establish and improve the democratic scientific policymaking system, pool the wisdom of all, and unceasingly raise the policymaking level; pay attention to people's complaints, try to understand public sentiment, be concerned about the hardships of the people, maintain close relations between the party, government and the people; and continue to improve the villagers' (residents') self-government system, strengthen the building of grass-roots politics, and promote grass-roots democratic management.

Strengthening the building of a legal system is an important guarantee for promoting reform, opening up and economic development and for realizing a long period of order and peace. We should step up efforts to formulate relevant administrative rules and regulations, strengthen administrative law enforcement, strike blows to law-breaking and criminal behaviors, handle economic disputes in line with law, and maintain a normal economic order. Government functionaries should study and observe the law and perform their administrative work in line with law. We should further strengthen and improve the law enforcement and supervision work and enhance the law enforcement level; continue to deeply conduct education on the legal system, make legal knowledge universal, and strengthen the sense of law in the whole society. During the Ninth Five-Year Plan period, we should complete the county-level prospecting and boundary fixing work as well as the provincial boundary fixing work.

We should strengthen the building of a diligent and honest government. It is necessary to fully understand the importance and arduousness of anticorruption and conduct anticorruption struggle through to the end. Principal leaders of governments at all levels should be fully responsible for the anticorruption struggle in their own localities and departments, and should make each level grasp the work of the next level and all levels to implement this work. Leading cadres should set examples with their own conduct, keep themselves clean and self-disciplined, and strictly manage their own relatives and the personnel around them; give impetus to investigating and handling cases on law and discipline breaches and strictly punish corrupt people; and continue to exert strenuous efforts to carry out the work on checking unhealthy trends in departments and professions. We should pay attention to education on diligent and honest administration and do a good job in building the system on performing administrative work honestly; strengthen judicial, supervision and auditing work, and establish and improve the mechanism of restraints to prevent and eliminate corruption. All government functions should maintain close ties with the masses, overcome bureaucracy, formalism, the practice of fraud, and the work style of boastfulness and exaggeration, work diligently, never give empty talk, serve the people wholeheartedly, and promote a turn for the better in social atmosphere with a good government work style.

We should conscientiously improve the comprehensive management of public security. Maintaining a good social environment and guaranteeing a secure life for the people is the strong desire of the masses of people and the important duty and responsibility of governments at all levels. We should strike stern blows to criminal

crimes and serious economic offenses; vigorously eliminate all sorts of social repulsive phenomena and purify the social environment; establish and improve urban and rural peace maintenance and mediation organizations and pay attention to regular security work; strengthen education and management on safety, avoid and reduce the occurrence of major and serious accidents, and create a good social environment for economic construction and for ensuring a secure life for the people.

We should achieve success in national defense education and in militia and reserve service work. Governments at all levels should pay attention to national defense construction and support the army to fulfill all the tasks. Education in national defense should be conducted persistently to enhance all the people's sense of national defense. We should conscientiously carry out the militia and reserve service work and strengthen the buildup of reserve forces for national defense. We should launch in-depth activities to support the army and give preferential treatment to families of revolutionary army men and martyrs and activities to support the government and cherish the people in order to consolidate and develop army-government and army-men-civilian unity.

We should achieve success in the work related to nationalities and religions. We should comprehensively implement the party's policies on nationalities and religions, conduct extensive and in-depth education in the party's nationalities policy and "two indispensabilities," intensify the education in Marxist concepts on nationalities, religions, and atheism, and always safeguard and strengthen the unity between all our nationalities. The "law on regional national autonomy" should be further enforced during the Ninth Five-Year Plan period to realistically guarantee and implement the right to autonomy and the right to equality among nationalities in the autonomous areas of minority nationalities. We should make great efforts to train cadres and talents of minority nationalities, and help minority areas develop economic and social undertakings to bring common prosperity to all our nationalities. We should strengthen management of religious affairs according to law, bring religious activities in line with the Constitution and laws, and actively guide religious activities to comply with socialist society. We should firmly oppose all activities that split the motherland and damage national unity, and promptly expose and crack down on all splitting and infiltrating activities launched by hostile forces at home and abroad, so that we can safeguard the overall situation featuring national unity and social stability.

6. Conscientiously Carry Out All the Work for 1996 To Make a Good Beginning of the Ninth Five-Year Plan Period

In 1995, Qinghai made new headway in reform, opening up, economic construction, and social development, with all the tasks defined at the third session of the eighth provincial people's congress smoothly fulfilled. Its GNP totaled 16.52 billion yuan, up 8 percent from the preceding year in terms of comparable prices. The annual retail price increase declined from 23.2 percent in the year before to 16.3 percent. Grain output dropped to 1.142 million tonnes and oil-bearing crop output to 162,000 tonnes due to drought and other natural disasters that hit large areas. Animal husbandry saw a normal harvest. Township enterprises registered a 40-percent increase (calculated at 1990 constant prices). Aid-the-poor work turned out good results, and poverty-stricken population declined to 830,000. The added value of industry was 5.21 billion yuan, up 10.5 percent from the preceding year. Railway passenger transport registered a 10.5-percent increase, and freight transport within the province totaled 5.025 million tonnes. Post and telecommunication developed rapidly, with digits of the telephone number in the provincial capital city of Xining increasing smoothly and program-controlled switch installed in all the areas where autonomous prefectural (prefectural and city) governments are located. New air routes from Xining to Chengdu, Shanghai, and Xian were opened, and the trial flights from Golmud Airport, which had resumed service, were a success. Investment in fixed assets increased, and key construction projects proceeded smoothly. Investment in fixed assets totaled 5.14 billion yuan in the province. Revenues increased, and financial work proceeded steadily. Urban and rural people's income rose, with urban people's per capita cost of living income increasing to 3,112 yuan, up 22.5 percent from the preceding year; and rural people's per capita net income to 1,030 yuan, up 18.5 percent. New savings deposits of urban and rural people totaled 1.96 billion yuan, up 6.4 percent from the preceding year. The economic reform was promoted steadily, and new progress was achieved in opening to the outside world. Science and technology, education, and other social undertakings all saw vigorous development. Political and social stability was attained, and people lived and worked in peace and contentment. National unity was further enhanced. Encouraging achievements were scored in the socialist spiritual civilization and legal system.

The year 1996 is the first year for implementing the fifth plenary session of the 14th CPC Central Committee, carrying out the Ninth Five-Year Plan, and realizing the province's cross-century medium-and long term

plans. Successfully carrying out this year's work and making a good start is of great significance. The fighting objectives for this year's provincial economic and social development are to make the GNP increase by 8.5 percent, of which, the primary industry should increase by 3.5 percent, secondary industry, 10 percent, and tertiary industry, 10 percent; the social investment in fixed assets reach 1.7 billion yuan, up 30 percent over last year; financial revenue (including the consumption tax and the value added taxes of the central authorities) initially arrange at 1.91 billion yuan, an increase of 11.8 percent over the previous year; the grain output reach 1.2 billion kg; the average per capita income of urban residents for living expenses increase by 15 percent; the average per capita net income of peasants and herdsmen increase 15 percent; the price inflation control within 11 percent; and the scientific, educational, cultural, public health, and other social undertakings as well as the family planning target attain the targets prescribed in the annual plan. Centering on the aforementioned targets, we should arrange and work out plans for various fields of work. This year we should adopt forceful measures to guarantee a good harvest in agriculture and animal husbandry. We should accelerate reform of state-owned enterprises and strive to achieve fairly big breakthroughs in key and difficult points. We should successfully carry out financial and banking work and increase the input of construction funds; accelerate the development of resources, pay close attention to projects under construction, do a good job in preparing for the initiation of some construction projects, and collect funds for carrying out preconstruction projects; carry out the pre-phase work of the projects to be built during the Ninth Five-Year Plan period and strive to list them in the state plan. We should strengthen overall coordination work in economic performance and promptly solve the prominent contradictions and problems in the course of production, construction and circulation. Particularly, we should strengthen the allocation of electricity and funds and organize industrial and communications production well; exert strenuous efforts to carry out the work on ending deficits, increasing profits and helping enterprises in difficulty in a purposeful and specific manner; continue to regard curbing inflation as the task of prime importance in macroeconomic control and adopt effective measures to control the excessively rapid price inflation; vigorously rectify economic order, strictly observe economic discipline, strike blows to economic offenses, and keep the market behaviors within proper boundaries. While concentrating energy on grasping economic construction, we should pay great attention to strengthening the building of spiritual civilization, vigorously develop all social undertakings, including science, technology, education, culture, press

and education, public health and sports, and realize a coordinated development in economic construction and social undertakings.

Fellow deputies: Reviewing the past, our province achieved great success in reform, opening up and the socialist modernization construction cause; looking into the future, we will realize the Ninth Five-Year Plan and the long-term target for the year 2010 through arduous struggle in the next 15 years. Our province will experience new and historical changes in its outlook. From now on, we should do a better job in all aspects of government work, and raise the efficiency of handling affairs; cultivate a clean, honest, practical-minded and highly efficient government image, enhance spirit, struggle ardently, work steadily and make solid progress. Under the guidance of Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, and under the leadership of the party Central Committee, the State Council and the provincial party committee, let us work hard for the prosperity of the country, be ready for new explorations and innovations, make earnest efforts to do practical things, and strive to comprehensively fulfill the Ninth Five-Year Plan and the long-term target for the year 2010 and to great Qinghai's invigoration.

PRC: Commentator on Nationalities in Xinjiang
OW1006091496 Urumqi XINJIANG RIBAO
in Chinese 24 May 96 p 1

[By unattributed commentator: "Consolidate and Develop Socialist Relations Among Nationalities"; fifth in a series on "Strengthening National Solidarity and Safeguarding Xinjiang's Stability"]

[**FBIS Translated Text**] History has shown us that holding high the banner of the great unity of nationalities, strengthening such unity, and consolidating and developing the new type of socialist relations among various nationalities are basic guarantees for the stability and development of Xinjiang. This is the common aspiration of the people of various nationalities in the region as well as their common interest.

To consolidate and develop socialist relations among various nationalities, cadres at various levels, and leading cadres in particular, must unwaveringly uphold the Marxist concept of nationalities. Guided by this concept, they should accurately observe, study, and handle problems of nationalities in the new period and perform their work well among various nationalities. The Marxist concept of nationalities is very rich in content. All cadres must particularly grasp the following points according to the current conditions: 1.) All nationalities, big or small, strong or weak, with a long or short history, at a

higher or lower level of development, should enjoy the right of equality; it is necessary to oppose resolutely any national discrimination, big-nationality chauvinism, or narrow nationalism. 2.) All nationalities have the ability to survive and develop and have their strong points and characteristics, and they all have contributed to the prosperity of the Chinese nation. Differences in economic and cultural development have resulted from history, and our task is to provide more and better development opportunities and conditions for minority nationalities. 3.) The differences and problems of nationalities will continue to exist for a long time to come. It is necessary to oppose resolutely eliminating the differences among nationalities through human efforts. At the same time, we should welcome and encourage various nationalities to be close to and learn from one another and to enhance their economic and cultural relations and fraternal friendship. 4.) Achieving common prosperity and progress for various nationalities should be the starting point and foothold of our nationalities policy. According to the principle of combining state support with self-reliance, we should vigorously promote the development of economic and cultural undertakings in areas inhabited by minority nationalities. 5.) We should conscientiously implement the "Law Governing Regional National Autonomy" and continuously improve the system of regional national autonomy, a basic system under which we should solve problems of nationalities.

To consolidate and develop the socialist relations among various nationalities, unremitting efforts should be made to publicize the party's nationalities policy and the importance of national unity among people of various nationalities and to conduct education among them in these matters. This will make the following political concept strike root in the hearts of the people with each passing day: The people of Han nationality cannot do without those of minority nationalities, nor can the latter do without the former or the people of minority nationalities do without one another. For years, we have found useful methods and gained good experience in achieving the unity of nationalities. We should conscientiously sum up such methods and experiences and develop them. We should vigorously commend advanced collectives and individuals that have contributed to the unity and progress of nationalities; and at the same time we should raise to a new level the activities of building model units in advancing the unity and progress of nationalities. We should foster a good atmosphere in which people of various nationalities trust, respect, cherish, help, stay close to, and learn from one another. By so doing, we can make rock-solid the unity among various nationalities, between the army and the people and the army and government, between localities and the Production and Construction Corps, and between local

and central units in the region, and bring about a new situation in the unity and progress of nationalities.

To consolidate and develop socialist relations among various nationalities, we should adapt ourselves to the new situation, study new conditions, and properly solve new problems. More and more cooperation and exchanges have been taking place between minority people and Han people and among minority peoples themselves with the development of commodity production, opening of reform and opening up, and gradual establishment of a socialist market economic structure. People of various nationalities help and depend on one another for existence and advance together. As a result, their relations have become closer with each passing day. These are objective requirements and an inexorable trend of social development and national progress. We should welcome and advance this trend. But we should also note that contradictions and frictions are hard to avoid in their contacts, owing to different interests, cultural backgrounds, and customs and habits. As for such contradictions among the people, we should act according to the principle of seeking truth from facts and handle problems as they are, and should not call any irrelevant problem a problem of nationalities. When major problems occur between people of two nationalities, leading cadres should come out boldly to perform solid work among their own nationalities. While forging close ties with their own nationalities and cherishing them, Communist Party members, especially leading cadres, should also make positive efforts to establish contact with other nationalities, cherish all members of the big socialist family, and set an example in promoting the unity of various nationalities. In recent years, large numbers of people of Han and minority nationalities have come to Xinjiang to engage in production and other work, playing an important role in promoting the region's economic development. However, because they did not receive a systematic education in the nationalities policy and the etiquette of nationalities, they have caused some problems running counter to the nationalities policy and to the customs and habits of local minority nationalities. This should merit close attention by relevant departments, and such departments should adopt effective measures to carry out education among them in the nationalities policy and the customs and habits of minority nationalities. As far as the customs and habits of minority nationalities are concerned, they should, of course, conform to the general trend of modern human civilization. It is necessary to uphold and carry forward what is good, advanced, and conducive to the progress of nationalities and to change or do away with what is not good, lags behind the times, or is so deeply affected by negative religious factors as to seriously hamper the development and progress of nationalities. We should

encourage people to change old customs and habits; do away with all fetishes and superstitions; foster a scientific, civilized, and healthy way of life; and promote the development and progress of various nationalities.

To consolidate and develop the socialist relations among various nationalities, we should often check up on implementation of the nationalities policy, including an inspection of the training and use of minority cadres and professionals of various kinds and an inspection of the development of educational, scientific and technological, cultural, and other social undertakings for minority nationalities; we should also inspect the situation to see whether close attention is paid to the use of minority nationalities' spoken and written languages and whether the customs and habits of minority nationalities and their freedom of religious belief are respected. Through such inspections, we should discover problems and take measures to promptly solve them; we should overcome negative factors, develop positive ones, and effectively carry out the party's nationalities policy.

PRC: Commentator on Religion in Xinjiang

OW0306020196 *Urumqi XINJIANG RIBAO*
in Chinese 18 May 96 p 1

[By unattributed commentator: "Bring Religious Activities Into the Orbit of the Legal System"; fourth in a series of commentaries on "Strengthening National Solidarity and Safeguarding Xinjiang's Stability"]

[FBIS Translated Text] Comrade Jiang Zemin pointed out: "Religion is an important issue because it has a close bearing on the country's stability and unity as well as national unification, on ideological and cultural as well as material progress, and also on the struggle between infiltration and counterinfiltration and peaceful and counterpeaceful evolution. In other words, if properly managed, religious affairs can help expedite socialist construction; but, if improperly managed, they are apt to be used by the class enemy and international reactionary forces." He also clearly pointed out that three rules should be followed in handling the religion issue: "First, we should comprehensively and correctly implement the party's religion policy; second, we should tighten the management of religion according to the law; and third, we should provide religion with guidance so that it can get along with socialism." These are the guidelines we should follow in managing religious affairs during the new period. In light of this guiding thought, we should learn a lesson from our experiences in managing religious affairs, and attach great importance to religious affairs and handle them seriously as an important task essential for countering subversion, infiltration, and peaceful evolution; for strengthening na-

tional solidarity, opposing national division, and safeguarding Xinjiang's stability and national unification; and for accomplishing reform, opening up, and socialist modernization as well as accomplishing the Ninth Five-Year Plan and the Long-Term Target for 2010.

In light of the Marxist concept of religion, we must comprehensively and correctly understand and implement the party's and the state's religion policy. Article 36 of China's Constitution provides that "PRC citizens enjoy the freedom of religious belief." This is our party's long-standing policy for handling religious issues. "Freedom of religious belief" is a comprehensive concept. In other words, while we enjoy the freedom of religious belief, we also enjoy the freedom of being nonbelievers; and while we enjoy the freedom of believing in one religion, we also enjoy the freedom of believing in any religion. Moreover, while we can enjoy the freedom of being members of one denomination, we should also have the freedom of being members of another denomination within the same religion; or the freedom of being religious believers now but not in the past, as well as of being nonbelievers now but being believers in the past. This concept must be viewed comprehensively. For example, our view would be improper and one-sided if we insist on underscoring religious freedom but pay no attention to protecting the freedom of not believing in a religion. While we are firmly against any act of discriminating against religious believers, we are also firmly against any act of discriminating against nonbelievers, and will firmly discipline those who force other people to convert, or who persecute nonbelievers. According to Marxism, fundamentally speaking, religion has the social function of anesthetizing the people. However, the situation of religion in China has changed significantly under socialism: it no longer is a tool used by the exploiting class; it has shaken off foreign religious forces' control; the system under which religious figures could enjoy feudalistic privileges and could oppress and exploit the people has been abolished; religious activities are protected and controlled by the Constitution and the law; and the majority of religious figures are patriotic, support the CPC, and follow the socialist path. However, this absolutely does not mean that religion's anesthetizing effects have disappeared. As political, economic, scientific-technological, cultural, and education development continues, religion's influence on the people tends to weaken gradually. Instead of counting on religion, any country or nation in the world must count on science, technology, and education to improve the quality of its people. We must take a clear-cut stand and openly and courageously educate the people on this notion.

In accordance with the law, we must tighten management and supervision over religious activities, clerics, religious venues, religious organizations, and religious publications; and bring religious affairs into the socialist legal system's orbit. Freedom of religious belief is not "freedom for religion." Freedom of religious belief does not mean that anything can be done in the name of religion, or that religious figures can disregard the law. They must proceed with their religious activities within the bounds of the Constitution and the law. We must take powerful and decisive measures to stop religion from interfering in political and social affairs; guard against and crack down on infiltration and sabotage carried out by outside religious forces; firmly ban underground scripture and martial arts classes (xi wu suo 5045 2976 2076); and lawfully handle the unlawful activities of underground "taliphs" (ta li fu 1044 6849 3940). Nobody may preach religion in public areas other than in places for religious activities, or incite religious fanaticism. Religious activities may not impede the order of production, work, traffic, or people's livelihood. We must firmly ban feudalistic religious privileges and oppressive and exploitative acts which still exist in some areas; and stop the forceful collection of taxes for religious purposes. The construction and management of venues for religious activities must strictly follow the regulations promulgated by the State Council and the regional government. Communist party members and party cadres are Marxist materialists and atheists, and they may not be religious believers or take part in religious activities. Of course, since many religious problems are contradictions among the people, we must strictly distinguish legitimate and illegitimate religions; separate religious beliefs and normal religious activities from lawless activities carried out in the name of religion; separate those who have been fooled because of their simple religious sentiments from those who purposefully organize and plot separatist activities according to plan; and separate patriotic religious figures from ethnic separatists engaged in sabotage through religion. Contradictions among the people should be properly dealt with through persuasion, education, and enlightenment; but ethnic separatist activities and unlawful religious activities must be firmly exposed and rebuffed.

We should guide religion to get along with socialism. This is our party's purpose of upholding freedom of religious belief. We should courageously support and protect patriotic religious figures, and promptly and reliably replace those who are equivocal and even support ethnic separatism so that the leadership of mosques and religious organizations will be genuinely controlled by reliable and able patriotic religious figures. We should pay attention to training and educating patriotic religious figures of the younger generation who

support national unification and national solidarity. In this regard, we should give full scope to the role played by patriotic religious organization. We should actively guide and encourage the vast number of patriotic religious figures and believers to throw themselves into the gigantic cause of building socialism with Chinese characteristics, unite the believers and nonbelievers, mobilize all positive factors, and turn negative factors into positive factors so that we can work hard together to achieve our common objective.

PRC: Commentator on Safeguarding Cadres Against Splittism

OW0306020396 *Urumqi XINJIANG RIBAO*
in Chinese 10 May 96 p 1

[By unattributed commentator: "Realistically Do a Good Job in Building Up Grass-Roots Organizations and Cadres" — Second in series of commentaries on "Strengthening National Unity and Safeguarding Xinjiang's Stability"]

[FBIS Translated Text] Realistically doing a good job in building up grass-roots organizations and cadres is important to strengthening national unity and safeguarding Xinjiang's stability.

Xinjiang has made fruitful efforts in building up its grass-roots organizations in recent years. This is an important reason for our region to have basically achieved social and political stability as well as to have continually improved the people's living standards. However, there are still some weak and disorganized grass-roots organizations. Some village-level organizations are but empty shells and are dominated and controlled by illegal religious forces. These localities have often become fortified villages of national splittist and illegal religious activities. The recent regional party committee's work meeting clearly pointed out that efforts will be made during these two years to rectify these weak and disorganized party branches. In particular, Xinjiang will pay attention to correcting village-level organizations that are dominated and controlled by religious forces as well as selecting and equipping well village party branch secretaries and village committee chairmen. Party committees at all levels must plan and work early to organize highly trained forces for practical tasks. Meanwhile, we must pay special attention to building up top-level village and town leading bodies. If village and town leading bodies are sound and strong, grass-roots affairs are easier to handle. In accordance with the principles of "four modernizations" and possessing both ability and political integrity and through channels such as restructuring, training, and support, it is necessary to build up village and town leading bodies into strong combat groups that will resolutely implement party policies, are

capable of leading the people to cast off poverty to become well-off, and are bold in relentlessly struggling against national splittism and illegal religious activities.

After the political line has been determined, cadres are a deciding factor for accomplishing our tasks. We must build up a cadre force that is firm in its stand and politically dependable. Since Xinjiang's liberation, the party has trained a large group of minority nationality cadres, a tremendous success of the party's nationality and cadre policies. History has proven that Xinjiang cadres, including cadres of the Han and other minority nationalities, can stand the test and are totally trustworthy. However, looking from the high plain of achieving Xinjiang's long-term stability and development, our cadres are still not suited to many tasks. On the one hand, we must continue to train a large group of minority nationality cadres who oppose national splittism, keep close contact with the people, and possess a strong desire for the revolutionary cause and the capability to perform tasks. On the other hand, we must adopt practical measures to train and allocate a large group of Han nationality cadres who love Xinjiang; uphold the party's fundamental theory, basic line, and policies; and can correctly enforce the party's nationality and religious policies to work in Xinjiang. A very important point here is that we must be adept in observing, training, and using cadres in the course of the antisplittist struggle and economic construction. We should adopt an important standard to judge whether a leading cadre is politically strong by checking whether he will work justly and forcefully by stepping forward bravely in a critical moment to oppose national splittism and illegal religious activities. We must not be lenient but must promptly correct or replace cadres who seriously lack this quality. This is to ensure that the leadership at all levels will always be firmly in the hands of people who love the CPC and socialist motherland; safeguard the motherland's reunification and national unity; assure implementation of various measures for reform, development, and stability in the grassroots; and assure that the undertakings of national unity and progress will continue to advance.

In our tasks to strengthen the building up of grass-roots organizations and cadres, we must always remember to truly do a good job in protecting grass-roots party members, cadres, and activists. When these comrades listen to and follow the party, they are the central force for our party to unify and lead the vast masses to construct the socialist and new Xinjiang. Meanwhile, they are strong combatants for opposing national splittism and safeguarding the motherland's reunification. Without this large group of outstanding people, it is impossible for Xinjiang to achieve development and progress.

Because of the need for its political motive of anti-secession, the national splittist force has a deep hatred of these comrades; and has isolated, attacked, persecuted, and taken revenge against them, coupling threats with promises. These are evil tactics of the sabotaging activities of national splittism. We must wage a tit-for-tat struggle against the splittists; and support, protect, and help our comrades with a clear stand. Party organizations at all levels and leaders must give them political backing and become their friends with a common goal. In addition, to the greatest extent possible, they should protect their enthusiasm, bring their role into play, help them solve living problems, and bring forth the warmth of the party and government to their hearts. As regards attacking, persecuting, and taking revenge on party members, cadres, and activists and of defaming, deceiving, and isolating veteran cadres, veteran party members, and veteran models, we must resolutely and strictly investigate and deal with these acts no matter where and when they emerge.

PRC: Xinjiang To Build Digital and Data Web
OW0606113596 Beijing XINHUA in English
0800 GMT 2 Jun 96

[*FBIS Transcribed Text*] Urumqi, June 2 (*XINHUA*) — Northwest China's Xinjiang Uygur Autonomous Region is to set up a digital and data network (DDN) to enhance its telecommunications infrastructure.

The DDN project will have 109 nodes and 4,100 data interfaces, and cover Urumqi, capital of the region, and 15 cities and prefectures.

The network's coverage will also extend to a number of wealthy townships and border checkpoints of the region.

Kicked off recently, the network project will go into operation on October 1 this year.

PRC: Report on Progress in Xinjiang Crackdown on Crime

OW0606055296 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 2 Jun 96

[*Announcement-read report over video by reporter Jiang Wei (1288 1218) and Zheng Zhanguo (1728 0594 0848); from the "Xinjiang News" program*]

[*FBIS Translated Text*] Localities across the region have implemented vigorous measures to ensure smooth implementation of the crackdown on crime.

In light of local conditions, the Changji City Public Security Department has carried out a policy of combining crackdowns with prevention, with the emphasis on prevention and dealing with both the symptoms and the root cause, with the emphasis on the root cause. As a

result, it has been able to constantly consolidate and enhance its achievement in crackdown.

Of late, the criminal police brigade has cracked a large number of criminal cases, retrieving over half a million yuan of economic losses. Meanwhile, it has also cracked the "18 April" robbery case and the (78Shiyu Building) burglary gang, recovering loot worth 750,000 yuan. [video shows two shackled young men walking out of a building under escort, cutting to a shot of them standing in front a wall facing the camera]

To consolidate and enhance the achievements in the crackdown, criminal police, patrol police, traffic policemen, and police stations in the city have joined forces in illegal parking and solicitation by taxis and medium-sized buses, driving without licenses at night [as heard], and drunk driving. As a result, the crime rate in Changji City has dropped sharply. [video shows two police cars driving by]

A delegation led by the secretary of the (Shayebake) District, in Urumqi City, CPC Committee paid a call on policemen working on the forefront of the "100-day crackdown on crime" the other day. The delegation donated gifts worth 50,000 yuan to the policemen. The delegation expressed appreciation for the dedication and professionalism of the police force who have worked day and night at their posts. The delegation urged the policemen to keep up their good work and make continued contributions to economic development and good public order in the district.

PRC: Xinjiang CPC Meeting Discusses Anti-Drug Work

OW0606145896 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 5 Jun 96

[*Report over video by reporters Feng Yang (1756 7122) and Feng Xiaofeng (7458 2556 1496); from the "Xinjiang News" program*]

[*FBIS Translated Text*] On the morning of 4 June, the Xinjiang Autonomous Regional CPC Committee Standing Committee held a meeting to hear a report on the region's anti-drug work and to lay down a plan for the next-stage anti-drug struggle.

[*Begin recording*] On the morning of 4 June, the regional CPC committee standing committee held a meeting to hear a report delivered by (Chen Jiwei), director of Xinjiang Autonomous Regional Public Security Bureau, on the region's anti-drug work. After hearing the report, the meeting participants said: Adhering to the policy of prohibiting marijuana and opium poppy growing and of fighting drug trafficking and abuse, stopping the sources and checking circulation, strictly enforcing

law, and dealing with the problems by looking into both the root causes and symptoms, we should step up our efforts to seize drug smugglers and to crack down on drug trafficking, and should use the public media to launch a forceful anti-drug campaign in order to purify our social environment.

Since the region established an anti-drug committee in April 1991, anti-drug-work leading groups and offices have been established in 14 prefectures and cities and in 41 counties and county-level cities. In addition, over the last few years, the region has promulgated a series of regulations on fighting drugs, prohibiting drug trafficking, and forcible drug cessation. The regional public security bureau and public security organs of all localities have stepped up efforts to crack drug-related cases and have severely cracked down on drug criminals. Currently, 13 drug cessation centers have been established in Xinjiang, effectively checking drug-related crimes. However, over the last few years, drug trafficking activities have noticeably increased in Xinjiang, and the growing of marijuana and opium poppy has not been completely eliminated: international drug trafficking rings' drug infiltrations into Xinjiang have posed a threat to the region. In view of this situation, after hearing the report, Wang Loquan, secretary of the Xinjiang Autonomous Regional CPC Committee, and Abdulahat Abdurixit, deputy secretary of the Xinjiang Autonomous Regional CPC Committee and chairman of the Xinjiang Autonomous Regional Government, pointed out: Party committees, governments, and public security organs at all levels of Xinjiang should further deepen their understanding and enhance their consciousness, sense of responsibility, and sense of urgency on cracking down on drug-related crimes. All localities should use the public media to launch forceful anti-drug propaganda and offensive in order to enable the masses to fully understand the damaging effect of drug. They should adhere to the policy of stopping up the sources and checking circulation, strictly enforcing law, and dealing with the problems by looking into both the root causes and symptoms; they should focus on prohibiting marijuana and opium poppy growing, and on fighting drug trafficking and abuse; they should step up efforts to seize drug smugglers and to crack down on drug trafficking; they should build up their drug suppressing forces. All localities should establish anti-drug responsibility systems at various levels, establish networks to monitor three anti-drug prohibition work, and mobilize the masses to purify the social environment and to prevent the damage of drugs. [video shows dozens of people attending the meeting; Wang Loquan, Abdulahat Abdurixit, other leaders speaking]

Also hearing the report at the meeting were Janabil, chairman of the regional committee of the Chinese People's Political Consultative Conference (CPPCC); Zhang Wenyu, Zhou Shengtao, and Aizhihaidi Kelimubai, deputy secretaries of the regional CPC committee; Hailiqian Silamu, Li Fengzi, Aabuduriyimu Amiti, Chen Demin, and Wu Duanfu, members of the regional CPC committee standing committee; and Wang Younan, vice chairman of the regional CPPCC committee. [end recording]

PRC: 'Major' Oil Field Under Construction in Junggar Basin

OW1006105296 Beijing XINHUA in English
1037 GMT 10 Jun 96

[FBIS Transcribed Text] Urumqi, June 10 (XINHUA) — Construction has started of a major oil field with an expected annual output of one million tons in the Junggar Basin of the northwest China's Xinjiang Uygur Autonomous Region.

The oil field, located in the Xiaoguai region of the basin, covers an oil-bearing area of 40 sq km and has a geological oil deposit of 59 million tons.

The prospecting results showed that the oil-bearing area, as well as the thickness of oil layer in the oil field, is expanding, which is very likely to be developed into a giant oil field with reserves exceeding 100 million tons.

At present, the daily oil yield of single well in the oil field reaches as high as 40 tons, doubling the expected daily output.

Experts in the area said that the oil field is forecast to form an oil production capacity of 700,000 tons this year.

PRC: Xinjiang Deputy Secretary Visits Mongol Prefecture

OW1206140496 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 10 Jun 96

[From the "Xinjiang News" program]

[FBIS Translated Excerpt] [Video shows Aisihaiti Kelimubai inspecting villages and construction sites] Aisihaiti Kelimubai, deputy secretary of the Xinjiang autonomous regional party committee, recently inspected two counties and one city in Bortala Mongol Autonomous Prefecture and Ala Mountain Pass.

At Ala Mountain Pass, Deputy Secretary Aisihaiti Kelimubai inspected in particular the joint checkpoint hall, border trade fair, and the renovation project of the Ala Mountain Pass railway station. After receiving briefings from comrades in charge of Bortala Prefecture

and North Xinjiang Railway Corporation, he said: Ala Mountain Pass is the most important of the 16 passes in northern Xinjiang. [passage indistinct] [passage omitted]

He also cordially called on the People's Liberation Army officers and men, who warmly welcomed him. [passage omitted]

He also emphatically pointed out: Party and government organizations as well as agricultural departments must promote large-scale agriculture, giving it top priority, and make joint efforts to safeguard Bortala Prefecture's stability and prosperity.

PRC: Xinjiang Police Training Intensified To Ensure Stability

OW1206113496 Urungi Xinjiang Television Network in Mandarin 1330 GMT 11 Jun 96

[From the "Xinjiang News" program]

[FBIS Translated Text] The Second Detachment of the Xinjiang Regional People's Armed Police Corps has strengthened training to ensure Xinjiang's stability.

This year, in accordance with the central work and tasks, the detachment has constantly worked out feasible training plans, and has given rigorous training to each cadre while properly carrying out training of the fighters.

The officers and men expressed that they are determined to fulfill the tasks assigned them by the party and the people with perfect military quality, and to make due contribution to safeguarding the stability and prosperity of the border areas.

PRC: Xinjiang TV Commentary on Certain Victory Over Splittists

OW1306015996 Urungi Xinjiang Television Network in Mandarin 1330 GMT 12 Jun 96

[Station commentary: "Strength Conviction in the Final Victory of the Antiseparatist Struggle;" from the "Xinjiang News" program]

[FBIS Translated Text] Faced with the current situation of rampant activities staged by nationalist splittists inside and outside of the country, some have doubts about winning victory in the antisplittism struggle. We hold that this kind of attitude is inadvisable, because they fail to observe and analyze the issue in an all-around manner. We have a firm conviction in the final victory of the antisplittism struggle, because justice is on our side and because we are open and above-board in all we do. Since the founding of the People's Republic and particularly since the implementation of the policy of reform and opening up, the outlook for Xinjiang has undergone an earth-shaking change; this fact is recog-

nized by all and known to all. Facts have proved that the Communist Party of China has not betrayed the trust of history, the era, and the people of all nationalities in Xinjiang. Only by taking the socialist path under the leadership of the Communist Party of China can the people of all nationalities in Xinjiang expect to have a bright and brilliant future. The reason we have a firm conviction in the final victory of the antisplittism struggle is because the masses have always stood on our side. Stability is where the fundamental interests of the people of all nationalities in Xinjiang lie. Only unity can ensure prosperity and progress. Division will surely lead to retrogression and ruin. Seeking stability, unity, and development are the wishes of the people and the major trend of the times. Those who engage in splittism, clamor for independence, and create disturbances are always a small minority; they will surely be shunned by all because they act against the tide of history, run counter to the fundamental interests of the people of all nationalities, and receive no popular support. We have a firm conviction in the final victory of the antisplittism struggle, because we have a strong autonomous regional CPC committee leadership which has the capability to keep the situation in Xinjiang under control. As all levels of party organizations display their roles as fighting fortresses under the leadership of the autonomous regional CPC committee, as communist party members of all nationalities fully display their roles as model vanguards, cadres and the masses of all nationalities will rally closely around the party and the government and help maintain stability with one heart and one mind; then those who engage in splittism will surely become the target of public censure. We have a firm conviction in the final victory of the antisplittism struggle, because the international situation and the situation surrounding us are favorable to us, particularly the recent signing of a five-nation agreement in Shanghai by President Jiang Zemin and the presidents of Russia, Kazakhstan, Tajikistan, and Kyrgyzstan on enhancing confidence in military areas along border areas has further helped create a peaceful and friendly environment with neighborly countries for Xinjiang's stability and development. We have a firm conviction in the final victory of the antisplittism struggle, because we have a great motherland and a great Army. The state and the Army absolutely will not allow international reactionary forces' splittist and subversive activities against our country. Our country is now becoming stronger and stronger day by day and has become an important force in maintaining world peace. Those who attempt to split the motherland's unity are either day dreamers or those who dwell in wishful thinking. The CPC Central Committee's important instructions on maintaining stability in Xinjiang have shown the direction for ensuring a long reign of peace

and stability in Xinjiang and further strengthened our faith in scoring victory in the anti-splitism struggle. We must rally closely around the CPC Central Committee with Comrade Jiang Zemin at its core, hold high the banner of grand unity of all nationalities, unite the will and strength of 16 million cadres and the masses of all nationalities in Xinjiang, and unwaveringly strive to realize Xinjiang's long-term stability and development. UNCLAS IT

PRC: Xinjiang Five-Year Plan, Long-Term Target
OW3105022796 Urumqi XINJIANG RIBAO
In Chinese 9 Apr 96 pp 1-4

[Outline of the Xinjiang Uygur Autonomous Region's Five-Year Plan for Economic and Social Development and Long-Term Target for 2010 — Adopted at the Fourth Session of the Eighth Xinjiang Uygur Autonomous Regional People's Congress on 6 April 1996"]

[FBIS Translated Text]

Preface

The years from 1996 to 2010 will be an important period for the Xinjiang Uygur Autonomous Region to carry forward its cause and forge ahead into the future in socialist modernization. Correctly formulating and implementing the Outline of the Five-Year Plan for Economic and Social Development and the Long-Term Target for 2010 in accordance with the overall plan made by the Fifth Plenary Session of the 14th CPC Central Committee for economic and social development in the coming 15 years and with the regional party committee's "Proposal for Formulating the Ninth Five-Year Plan for Economic and Social Development and the Long-Term Target for 2010" are of the utmost importance in mobilizing and guiding the people of various nationalities across the region to seize the opportunity to blaze new trails in a pioneering spirit, to bring about sustained, rapid, and healthy economic development and all-round social progress, and to speed up the building of a prosperous, abundant Xinjiang with a high degree of civilization.

The Outline of the Ninth Five-Year Plan and the Long-Term Target for 2010 is the first medium- and long-term program formulated under the conditions of the socialist market economy. After assessing the domestic and international situation, analyzing the current economic situation and the trend of its development, and facing up to our problems and difficulties, we have formulated the outline according to the requirements for the development of socialist market economy and socialist modernization, Comrade Deng Xiaoping's theory of

building socialism with Chinese characteristics, and the party's basic line for the initial stage of socialism; we have formulated it according to the principles of being positive and appropriate, allowing for unforeseen circumstances, and being attainable through effort; laying stress on the key points without paying attention to everything concerned, we have particularly set the targets, main tasks, guiding principles, and basic policies and highlighted the macroeconomic, strategic, and policy characteristics of the plan. The stress of planning is placed on the Ninth Five-Year Plan period, and the target for 2010 is mainly a rough sketch. The targets set in the plan are generally of a forecasting and guiding nature, and they may have to be adjusted or complemented according to actual conditions and changes in the course of implementation. These targets will be fulfilled step by step through annual plans.

/I. Implementation of the Eighth Five-Year Plan

During the Eighth Five-Year Plan period, people of various nationalities throughout the region resolutely implemented the party's basic line, principles, and policies, opened wider to the outside world, vigorously practiced the strategy of "turning favorable conditions in natural resources into favorable economic conditions." As a result, we made remarkable achievements in economic construction and social undertakings, consolidated the economic foundation, and noticeably increased our economic strength. The region enjoyed political and social stability and economic prosperity, and the people of various nationalities were united as one and lived and worked in peace and contentment. It was the best period in our region in terms of economic and social development.

We made sustained, rapid, and healthy economic development. The region's gross domestic product (GDP) went up from 25.188 billion yuan in 1990 to 88 billion yuan in 1995, an average annual increase of 12.3 percent in terms of comparable prices over five years. This was 5.2 times (fan liao er dian san fan 5064 0055 0059 7820 0005 3972) the 1980 figure. The average annual growth rate of the primary industry was 7.4 percent, that of the secondary industry 14.9 percent, and that of the tertiary industry 15.5 percent.

We took bigger steps in reforming the economic structure. The degree of the marketization and socialization of the economy was obviously raised, and the basic role of the market in the distribution of resources was gradually strengthened. The reform of the planning, fiscal and taxation, financial, investment, foreign trade, foreign exchange, pricing, and other systems progressed smoothly. The way in which the government managed the economy was changing from direct to indirect reg-

ulation and control, and the reform of enterprises with stress on delegating power to the enterprises and letting them retain a proportion of profits was changing to blazing new trails in systems. Microeconomic vitality increased to some extent, and the socialist market economic structure was being established.

We made considerable progress in opening to the outside world, used more and more foreign funds, and rapidly developed foreign trade; we opened obviously wider to the outside world and made fairly rapid progress in economic and technical cooperation and exchanges with foreign countries. A pattern of opening up in all directions and at multiple levels was taking shape. In the past five years, we actually used \$1.4 billion of foreign funds. The total volume of foreign trade increased from \$411 million in 1990 to \$1.428 billion in 1995, up 250 percent.

The structure of production was readjusted, pillar industries expanded, and infrastructure and basic industries strengthened. The proportions of the primary, secondary, and tertiary industries in the region's GDP were readjusted from 37.6:33.1:29.3 in 1990 to 28.1:39.3:32.6 in 1995. In agriculture, good harvests were reaped year after year, and agriculture as the foundation of the economy was strengthened. Total grain output increased from 6,768,900 tonnes in 1990 to 7.3 million tonnes in 1995; total cotton output went up from 468,800 tonnes in 1990 to 925,000 tonnes in 1995. Thus, Xinjiang became the largest cotton-producing region in the country. Important progress was made in petroleum and petrochemical industries, in textile and food industries, and in construction industry. Pillar industries were further consolidated. We also accelerated the construction of infrastructure facilities and basic industries, and we completed and put into operation a number of major water conservancy, energy, transportation, and telecommunications projects one after another, effectively alleviating the "bottleneck" effects.

Science, technology, and education developed rather rapidly, and an all-round development was made of all social undertakings. In the past five years, 1,293 major scientific and technological achievements were scored, and remarkable results were achieved in tackling key scientific and technological problems, carrying out the "tech program," the "spark program," and the "bumper harvest program," and doing research in soft science. All this promoted the autonomous region's economic construction and social development. Elementary education was strengthened, secondary vocational and technical education developed rather rapidly, and the structure of general institutions of higher learning was readjusted to some extent. Development was made in culture, the press, publishing, radio broadcasting, television, public

health, sports, social security, and other social undertakings.

The urban and rural markets were brisk, and the people's living standards continued to improve. The total volume of retail sales of consumer goods went up from 10.43 billion yuan in 1990 to 25.32 billion yuan in 1995, an average annual increase of 19.4 percent over five years. The average amount of per capita income that city dwellers used for living expenses rose from 1,355.88 yuan in 1990 to 3,828.40 in 1995, an average annual increase of 6.9 percent in real terms. Per capita net income for peasants went up from 683.47 yuan in 1990 to 1,136 yuan in 1995, an average annual increase of 3.6 percent in real terms. For urban and rural dwellers, conditions in food, clothing, the availability of household appliances, and housing were considerably improved.

While we make remarkable achievements in economic and social development, there also occurred salient contradictions and problems. They were mainly: The agricultural foundation was rather weak; peasants' incomes increased slowly; infrastructure and basic industries had yet to meet the needs of economic development; the management of state-owned enterprises was extensive, with low economic efficiency; the pressure of price rises was high in the course of rapid economic growth and economic structural transformation; the financial difficulties aggravated, and there was a shortage of funds for economic construction and social development.

II. Main Targets and Basic Guiding Principles

1. Favorable conditions and restrictive factors for economic and social development from 1996 to 2010:

There are many favorable conditions and Opportunities as well as a favorable interior and exterior environment for economic and social development in our region.

First, the world is moving toward multipolarization, and peace and development are the two outstanding issues in the world today. This has provided a stable international environment for our economic construction for a fairly long period of time to come.

Second, the common will of people of various nationalities to seek stability, unity, development, and prosperity constitutes a great force to vitalize Xinjiang.

Third, the state now pays close attention to the widening gap between the east and the west, and it is adopting positive measures in industrial policy and the distribution of productive forces to accelerate the development of the central and western regions. The state is planning to build Xinjiang into a key commodity cotton-producing, petroleum, natural gas, and petrochemical-

industry base. This is very conducive to turning potential favorable conditions in natural resources into favorable economic conditions in our region.

Fourth, the in-depth reform of the economic structure and the initial shaping of a general opening-up pattern have created very favorable conditions for strengthening our region's economic and technological cooperation and exchanges at home and abroad.

Fifth, through construction and development over the past 40-odd years, especially since the beginning of reform and opening up, infrastructure facilities and basic industries have begun to take shape, the technological and managerial levels have continuously improved, and our economic strength has greatly increased, thus laying a fairly sound material and technological foundation for future development.

Sixth, with the development of the economy and the improvement of the people's living standards, the demand for fundamental material products has continuously increased, and there are broad prospects for the urban and rural markets.

Seventh, the gradual establishment of a socialist market economic structure will increase the vitality of the economy, and the in-depth building of spiritual civilization and the social and political stability of the region will provide an effective guarantee for continued development.

We are still confronted with rather salient contradictions and difficulties on our way of advance, and they are mainly: Our overall economic strength is rather weak, and so is our self-development ability; the quality of state-owned enterprises as a whole is low, and their market competitiveness is not strong; the management system and the operating mechanism have yet to meet the needs of the socialist market economy; the pressure of inflation is high, and the capability of macroeconomic regulation and control is not strong; in the course of developing a market economy and opening wider to the outside world, we are confronted with many problems in the building of spiritual civilization that call for urgent solution.

As long as we grasp the trend of historical development, adopt a correct strategy for development, make full use of our favorable conditions, strive to remove unfavorable factors and surmount difficulties, take up challenges, and speed up the pace of modernization, we certainly can successfully accomplish our historic tasks in the new period of development.

2. Main targets for 2000:

The general target of economic and social development is to accomplish in all-round way second-step strategic plan for the region's economic development by the end of this century, with the stress on structural optimization and the improvement of efficiency. Then, the region's GDP will be eight times [fan san fan 5064 0005 3972] the 1980 figure. With its population kept under 18.45 million, per capita GDP will be sixfold [fan liang fan ban 5064 0357 3972 0584]; the people in the region will attain a relatively comfortable living standard at the same time as those in other parts of the country; and a socialist market economic structure will be initially established. The main targets for the economic and social development of our region during this period are:

(1) It is necessary to continuously strengthen our overall economic strength and to improve the living standards of people of various nationalities.

Calculated in terms of 1995 prices, the region's GDP will reach 145 billion yuan, 57 billion yuan more than the 1995 figure of 88 billion yuan. Per capita GDP will reach 7,850 yuan, 2,850 yuan more than the 1995 figure of 5,000 yuan. Agricultural added value will reach 31.5 billion yuan, 6.8 billion yuan more than the 1995 figure of 24.7 billion yuan; and industrial added value will reach 47.2 billion yuan, 21.4 billion yuan more than the 1995 figure of 25.8 billion yuan.

Financial revenues will reach 7.34 billion yuan, 3.69 billion yuan more than the 1995 figure of 3.65 billion yuan.

The total volume of retail sales will reach 52 billion yuan, 26.68 billion yuan more than the 1995 figure of 25.32 billion yuan.

The total volume of foreign trade will increase at an average annual rate of more than 12 percent. In the coming five years, \$2 billion of foreign funds will be used. The amount of per capita income that city dwellers use for living expenses will rise at an average rate of 6 percent a year, and per capita floor space of housing for city dwellers will reach 10 square meters. The amount of per capita net income for peasants will go up at an average rate of 5 percent a year, and the quality of residential housing and hygienic conditions for rural dwellers will be considerably improved. Then, the availability of telephone service in the region will reach 10 percent.

(2) We will initially build the basic framework of a socialist market economic structure.

A pattern for the simultaneous development of all economic sectors with public ownership as the mainstay

will be consolidated in terms of system, and a mechanism for the survival of the fittest enterprises will initially take shape. State-owned enterprises will basically establish operating mechanisms and a modern enterprise system suited to the market economy. A unified, open, competitive, and orderly market network will be initially formed in the region. The system of macroeconomic regulation and control with stress on the use of indirect means will be basically established. A system for the distribution of personal income which takes the principle of "to each according to his work" as its mainstay and follows the principle of giving priority to efficiency while taking fairness into account will be being perfected. The social security system will be compatible with the level of economic development. The pattern of opening up in all directions, at multiple levels, and in various forms will be further developed.

(3) The structure of production will be further readjusted and optimized, and the output of major products will increase by a big margin.

The proportions of the added value of the primary, secondary, and tertiary industries will be readjusted from 28.1:39.3:32.6 in 1995 to approximately 22:42:36 in 2000. Agriculture as the foundation of the economy will continue to be strengthened; the restrictive effects of water conservancy, energy, transportation, telecommunications, and other basic industries on the economy will be further alleviated; and those basic industries will basically meet the needs of the economy. Petrochemical and mineral gas-chemical industries will become powerful pillar industries. The scale and efficiency of textile, food, construction, building materials, and other pillar industries will be raised to a new level. Then, we will be building a commodity-cotton- and commodity-grain-producing base, a petroleum base, a comprehensive chemical industry base with petrochemical and natural gas-chemical industries as the mainstay, the largest textile base in the northwest, and a livestock base. By 2000, the output of major products will be:

Grain output will be 8.5 million tonnes, an increase of 1.2 million tonnes over the 1995 figure of 7.3 million tonnes.

Cotton output will be 1.5 million tonnes, an increase of 575,000 tonnes over the 1995 figure of 925,000 tonnes.

Beet output will be 6 million tonnes, an increase of 3.12 million tonnes over the 1995 figure of 2.88 million tonnes.

Total meat output will be 850,000 tonnes, an increase of 380,000 tonnes over the 1995 figure of 470,000 tonnes.

Raw coal output will be 33 million tonnes, an increase of 6,067,200 tonnes over the 1995 figure of 26,932,800 tonnes.

Power output will be 21.5 billion KWH, an increase of 9.711 billion KWH over the 1995 figure of 11.789 billion KWH.

Crude oil output will be 25 million tonnes, an increase of 12,366,600 tonnes over the 1995 figure of 12,633,400 tonnes.

The processing of crude oil will be 15 million tonnes, an increase of 8,110,600 tonnes over the 1995 figure of 6,889,400 tonnes.

The output of steel products will be 1 million tonnes, an increase of 393,300 tonnes over the 1995 figure of 606,700 tonnes.

The output of chemical fertilizers (calculated in terms of 100 percent active ingredients) will be 1.17 million tonnes, an increase of 785,000 tonnes over the 1995 figure of 385,000 tonnes.

Polyester output will be 100,000 tonnes, an increase of 58,000 tonnes over the 1995 figure of 42,000 tonnes.

Ethylene output will be 200,000 tonnes, an increase of 165,000 tonnes over the 1995 figure of 35,000 tonnes.

The output of cotton yarn will be 537,300 tonnes, an increase of 296,800 tonnes over the 1995 figure of 240,500 tonnes.

The output of machine-processed sugar will be 800,000 tonnes, an increase of 500,500 tonnes over the 1995 figure of 299,500 tonnes.

(4) Scientific, technological, and educational levels will be noticeably raised, and social undertakings will be developed in an all-round way.

The role played by scientific and technological advances in economic growth will become increasingly important. The region's comprehensive scientific and technology capability will reach the country's average at that time, and the technical level of major industries in the economy will reach or approach the country's level of the early 1980s.

The educational level of the people will be noticeably raised. Primary education will be made universal; nine-year compulsory education will be basically made universal in the areas of the region inhabited by 70 percent of its population; and secondary vocational education, higher education, and adult education will develop to a considerable extent.

The establishment of the social security system will be accelerated by developing various kinds of social insurance and social welfare and by strengthening labor protection. The medical and health care service system will be improved, with everyone enjoying primary health care. Culture, sports, radio broadcasting, television, and other social undertakings will develop in an all-round way; public order and order in daily life will be good, and the ecological environment will be improved to some extent.

(5) The quality and efficiency of the economy as a whole will be noticeably improved.

In the coming five years, the energy saved by society as a whole will be equivalent to 12 million tonnes of standard coal, with the average annual energy-saving rate of more than 5.4 percent. Energy consumption for 10,000 yuan worth of GDP will drop to 5.26 tonnes of standard coal from 5.56 tonnes of standard coal in 1995.

The labor productivity of all industrial enterprise workers will rise 30 percent, and the rate of profits and taxes to capital will increase three to five percentage points.

The efficiency of fixed assets will be noticeably improved, and the rate of fixed assets put into operation will be more than 70 percent.

(6) We will concentrate our resources on the construction of 29 key projects.

During the Ninth Five-Year Plan period, we will put stress on the construction of the state cotton- and grain-producing bases, the key Uruwat water conservancy project, the Yinaojike project, the key water conservancy project at the mouth of Tekesi River, the Korla-Kashi section of the Nanjiang Railway, the Diwobao Airport in Urumqi, the Tu-Wu-Da high-grade highway, the Urumqi-Kuytun Expressway, the optical cable projects in northern and southern Xinjiang, the Lanzhou-Xining-Urumqi trunk optical cable of communication, the Hongyanchi No. 2 Power Plant, the Jilintai Hydropower Station, the Dushanzi ethylene extension project, the Dushanzi alkylbenzene project, the acrylic fibers project and polyester extension project of the Urumqi General Petrochemical Plant, the Tarim chemical fertilizer and paraxylene projects, the Kuqa chemical fertilizer project, the Zepu chemical fertilizer project, the Hami anhydride project, the Karamay chemical fertilizer project, the Karamay acrylic fibers project, the extension project of the No. 8 steelworks, the Meridian tire extension project of the Urumqi Tire Plant, the Ashele Copper Mine, and the Xinjiang Float Glass Plant. Efforts are to be made to bring Xinjiang University into State Project "211."

3. Long-term target for 2010:

We will strive to have the region's GDP double the 2000 figure by 2010 and to make it possible for the people to move from a relatively comfortable living standard to being initially prosperous. We will establish a complete socialist market economic structure and noticeably raise the level of the economy as a whole, laying a solid foundation for achieving the third-step strategic objective.

Calculated in terms of 1995 prices, the region's GDP will reach 340 billion yuan, increasing 195 billion yuan over the 2000 figure or 9 percent annually over the 10 years. With the region's population kept under 22 million, per capita GDP will reach 15,450 yuan, up 7,600 yuan from the 2000 figure.

A complete socialist market economic structure will be established. A modern enterprise system will be instituted, and there will be a number of large and medium-sized enterprises with strong competitiveness. The market system will be improved, and the system of macroeconomic regulation and control will become sound. A multi-level social security system will be established, and managing the economy according to law will attain a higher level.

The structure of production will be initially rationalized, and a new pattern of "high yield, low consumption, good quality, and high efficiency" will be formed in agriculture. Pillar industries will produce on a large scale, and the proportion of the high-tech industries in the secondary industry will become larger. We will build an efficient, multi-functional tertiary-industry service system.

We will continue to build the Yine water supply project, the key water conservancy project at the mouth of Tekesi River, the Hongyanchi No. 2 Power Plant, and the Jilintai Hydropower Station; we will start the construction of major projects, including the key water conservancy and hydropower project at the Bulunkou-Gongger along Gaizi River, the Xiabandi water conservancy and hydropower project in Kashi, the Chahanwusu key water conservancy and hydropower project, the Yinaojike project, the Lihuanggou Coal Mine in Urumqi, the Ebulake Coal Mine in Kuqa, the No. 5 Power Station, the all-Xinjiang power grid project, the Ehuobulake Power Plant in Kuqa, the Jinghe-Yining Railway, the Kuytun-Altay Railway, the Urumqi-Korla high-grade highway, a 500,000-tonne ethylene project, a large polyester project, the 3 million-tonne extension project of No. 8 Steelworks, and the Tarim Cement Plant, in order to further increase the economic strength of the region as a whole.

We will create good conditions for all people to receive an education and noticeably improve workers's techni-

cal and cultural levels. Democracy and the legal system will be improved, public order and social ethics will be sound, and the spiritual civilization will be enriched. Social, economic, and environmental development will be basically coordinated.

Urban and rural residents' living standards will be further improved. We will strive to have the amount of per capita income that city residents used for living expenses and the amount of per capita net income for peasants reach the country's averages at the time. Then, the masses of people will live and work in peace and contentment.

4. The basic guiding principles:

Xinjiang's economic and social development should be guided with Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line from 1996 to 2010. During these years, we should persistently grasp the basic principles of "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability," and properly handle the relations between reform, development, and stability; we should take it as the fundamental criteria for judging various kinds of work whether it is conducive to the development of the productive forces, the increase of overall economic strength, and the improvement of people's living standards. We should promote the establishment of a socialist market economic structure in an all-round way, open wider to the outside world, and strive to bring about the shift of the economic system and the economic-growth mode. In accordance with state industrial policy and the demand of domestic and international markets, we should continue to implement the strategy for turning favorable conditions in natural resources into favorable economic conditions, with the stress on the improvement of economic efficiency. We should put strategic stress on scientific and technological advances, on opening to the outside world, and on the development of industries and products with favorable conditions. We should effect a sustained, rapid, and healthy development of the economy and improve the living standards and cultural levels of people of various nationalities.

Sustained, rapid, and healthy economic development will be maintained. Development is the last word. The key to solving all problems lies in our own economic development. To gradually narrow the gap between Xinjiang and other parts of the country in economic development, it is necessary to ensure a rapid development of the economy in the region. It is essential to correctly handle the relations between speed and efficiency; such a speed must be based on efficiency and practicality.

It is necessary to improve economic efficiency as the central task of economic work and to vigorously shift the economic-growth mode from being extensive to intensive. We should properly handle the relationship between intensive and extensive expanded reproduction. Good returns should be obtained from an optimized economic structure, scale economy, scientific and technological advances, and from scientific management.

We should implement the strategy for vitalizing Xinjiang by applying scientific and technological advances and promoting education and combine science, technology, and education closely with economic construction. Science and technology constitute a primary productive force, and education is the foundation. Economic construction must rely on science and technology, and scientific and technological work must be geared to the needs of economic construction. We should strive to increase the scientific and technological content of the region's economy. We should make particular efforts to train and introduce from the outside a number of trans-century scientists and technicians and to improve workers' quality and people's cultural levels.

We should continue to give top priority to strengthening agriculture in economic development, deepen the reform of the rural economic structure, stabilize the party's rural policies, increase our investment in agriculture, and strengthen agriculture as the foundation of the economy. We should invigorate the rural economy in an all-round way and quickly develop Xinjiang from a large agricultural area into a strong agricultural area and a an economically prosperous area.

We should continue to optimize the structure of production, strengthen infrastructure and basic industries, vigorously develop the pillar industries, improve the quality of the economy as a whole, and increase our overall economic strength.

We should simultaneously develop all economic sectors with public ownership as the mainstay. According to the requirements for the establishment of a socialist market economic structure, we should deepen the reform of the economic structure in an all-round way, with the stress on the reform of state-owned enterprises.

We should open wider to the outside world, strengthen our economic and technological cooperation with other countries, increase the scale and efficiency of utilizing foreign funds, and expand our foreign trade. We should establish extensive lateral economic ties and technological cooperation with enterprises in other parts of the country. Our enterprises should quickly establish economic connections with enterprises at home and abroad and complement one another economically.

According to the principles of overall planning and common development, it is necessary to bring the initiative of the local authorities, the Production and Construction Corps, and state-owned enterprises into full play. Concerted efforts should be made to develop the economy and build Xinjiang in a coordinated way.

We should adhere to the strategic principle of coordinated and sustainable development of the economy, society, natural resources, and the environment; in the course of development and construction, we should pay close attention to the utilization rate of natural resources and the protection of the environment in order to promote a favorable ecocycle and to achieve the unity of economic, social, and ecological efficiency.

We should gradually narrow the gap between our region and other parts of the country in economic development, promote a rational economic distribution and coordinated regional economic development, and vigorously assist poverty-stricken areas in developing their economies so as to achieve common prosperity.

We should carry forward the spirit of self-reliance, hard work, and being diligent and thrifty and oppose extravagance and waste. We should save on all financial, material, and human resources that can be saved. We should speed up economic construction.

We should vigorously strengthen the building of spiritual civilization and national unity and persist in maintaining stability and in consolidating and developing the political situation characterized by unity and stability so that we will be able to create a favorable social environment for economic development.

The key to achieving the objectives set for the years from 1996 to 2010 lies in acting according to the central authorities' requirements and accelerating the shift of the economic system from the traditional planned economy to a socialist market economy and the shift of the economic-growth mode from being extensive to intensive.

First, it is necessary to bring the role of market competition into full play, select the superior and eliminate the inferior, and optimize the distribution of resources. We should strengthen the role of market forces in more and more fields through the deepening of reform. All economic activities which should be regulated by market forces should be further liberalized and invigorated, and competitive industries should obtain their resources from the market. Basic industries should also introduce competitive mechanisms. This will make the economy more vigorous and efficient.

Second, we should properly handle the relationship between newly started projects and the use of existing

ones, bring all the potentials of existing projects into full play, and raise the input-output efficiency. From now on, except for the construction of some key projects designed to optimize the industrial structure and raise the industrial technological level, we should make full use of existing enterprises and avoid launching new projects whenever it is possible to increase production capacity through reforming, reorganizing, or transforming existing enterprises. New projects which must be launched should be built from a high technological level and reach a certain economic scale.

Third, we should make scientific and technological progress contribute more to economic growth. We should combine the reform of the science and technology management system with the reform of state-owned enterprises and strive to make progress in integrating science and technology with the economy. While stressing industrial technological progress, we should speed up the turning of scientific and technological achievements into an actual productive force and quickly apply new and high technologies in industrial production in order to form new points of economic growth.

Fourth, we should vigorously economize on and make comprehensive use of natural resources. We should develop and save on natural resources at the same time. Putting practicing economy first, we should try in every possible way to save on water, energy, land, raw materials, and grain in production, construction, circulation, consumption, and other fields; we should reduce the occupancy and consumption of natural resources, resolutely change the pattern of high input but low output and high consumption but low efficiency, and raise the comprehensive use of natural resources to a new level.

Fifth, in line with the requirements for large-scale socialized production and an economy of scale, we should optimize the structure of industrial organizations, do away with the boundary lines between different regions, departments, and trades, and develop an economy of scale and favorable industrial conditions through joint investment, joint production, and specialized cooperation.

Sixth, we should deepen the reform of commodity circulation and raise the efficiency of circulation. We should establish fair, open, and impartial market order, do away with all barriers and monopolizations, and form a unified, competitive, and orderly network of circulation. We should establish a new-type system of circulation and a new mode of trade and reduce the links and costs of circulation in order to promote the smooth development of production and consumption.

Seventh, We should strengthen macroeconomic regulations and control. With the market as the foundation, We should guide the optimization of the industrial structure and the rationalization of distribution of productive forces and maintain the sound development of macroeconomic activities by implementing industrial and regional policies and using financial, material, and economic regulating means.

III. The Objectives and Policy of Macroeconomic Regulation and Control

During the Ninth Five-Year Plan period, we should further increase the government capacity in macroeconomic regulation and control and establish mechanisms which make it possible for planning, banking, and finance to coordinate with and condition each other and which are capable of coordinating macroeconomic policies and correctly using economic levers. We should resolutely promote the sustained, rapid, and healthy development of the economy, keep the investment in fixed assets grow steadily, curb inflation, and strive to strike a basic balance between revenue and expenditure. We should see to it that financial operations are safe and efficient. We should keep population growth under control, and increase job Opportunities — these are the main tasks of macroeconomic regulation and control by the government.

1. Economic growth:

The autonomous region's average annual economic-growth rate is set at 10.5 percent during the Ninth Five-Year Plan period. This is determined according to the overall objective of making the region's 2000 GDP eight times the 1980 figure and after considering the following facts: We will have to work hard to narrow the economic gap between our region and the coastal areas and to meet the objective requirement of continuously maintaining an economic-growth rate slightly higher than the country's average. It is so determined after summing up and analyzing our economic development during the Eighth Five-Year Plan period and the existing economic and technical foundation, after comprehensively appraising the conditions for future economic development and the sources and quantities of production factors, and after considering the need to maintain a basic balance between total supply and total demand, and to avoid major economic fluctuations. This growth rate is positive and appropriate and allows for unforeseen circumstances.

We should properly handle the relationship between speed and efficiency and shift from relying mainly on the increase of investment in production factors to relying mainly on scientific and technological advances and on the improvement of workers' quality; we should shift from relying mainly on the maintenance and

increase of production through large-scale consumption of resources to relying mainly on the raising of the managerial level, the lowering of consumption and production costs, and the improvement of product quality and grade; we should shift from investment in low-standard projects and low-efficiency redundant construction to the requirements for high efficiency, an appropriate scale, and rational distribution and to the continued optimization of the industrial structure and industrial organizations; and we should shift from one-sided stress on going after total economic quantity and speed to paying attention to raising the quality and efficiency of the economy as a whole.

We should accelerate the readjustment of the industrial structure, particularly strengthen the primary industry, readjust and expand the secondary industry, and vigorously develop the tertiary industry. Continuous efforts should be made to strengthen and develop agriculture and promote an all-round development of the rural economy. We should step up the construction of infrastructure facilities and basic industries, improve the investment environment, and increase the staying power for future economic development. We should speed up the development of the pillar industries that will advance economic growth and structural upgrading in the region. We should readjust, transform, and improve processing industries and increase our competitiveness on domestic and international markets.

2. Price level:

We should continue to curb inflation as the most important task in macroeconomic regulation and control. Stressing the establishment of a mechanism for price regulation and control, we should deepen the price reform, accelerate the process of price legislation, vigorously put prices in order, appropriately alleviate price contradictions, and implement a price policy which is both flexible and restrictive. We must see to it that the range of price rises will be lower than the economic-growth rate, with it kept under 10 percent.

We should persist in and improve the price target and responsibility system, the system of the prefecture head's responsibility for the "rice bag" project, and the system of the city mayor's responsibility for the "vegetable basket" project.

We should maintain a balance between total supply and total demand, ensure the effective supply of commodities, and strictly control the excessive growth of consumption funds and the excessive expansion of the scale of investment in fixed assets in order to lay a foundation for keeping prices stable.

A good job should be done in managing the commodities priced by the state or the autonomous region. In adjusting prices, it is necessary to assess the situation and to take into consideration the producers', traders', and consumers' capability of adapting themselves to it. The prices of most products should be decontrolled, and we should let the market form their prices.

We should fully implement the systems of the grain risk funds, price adjustment funds, and major product reserves and build nonstaple food production centers. We should promptly regulate prices according to market demand and price fluctuations.

We should accelerate the establishment of a system of price laws and regulations and use such laws and regulations to standardize producers' and managers' activities, to promote the improvement of price order, and to protect the legitimate rights and interests of the traders and consumers.

We should strengthen price supervision and inspection, maintain normal economic order, resolutely check indiscriminate price rises and charges, and resolutely crack down on such illegal acts as price gouging and profiteering in order to create a favorable environment for economic development and social progress.

3. Investment in fixed assets:

The rate of investment in fixed assets during the Ninth Five-Year Plan period will be 34 percent. Investments in fixed assets by all sectors of society will total 271.3 billion yuan, with an average annual increase of 20 percent. Of the total, investments by localities will be 108.5 billion yuan. Of the investments by localities, investments by state-owned enterprises will be 59.7 billion yuan, of which capital construction will account for 40.6 billion yuan, and transformation and renovation 13.1 billion yuan.

We should further open investment channels and raise investment funds in various ways; we should continue to obtain state support and a special policy for investment in our region; we should gradually increase the proportion of investment in fixed asset in local expenditures; we should strive to increase the credit funds and vigorously attract investment from abroad and other parts of the country; and we should try in every possible way to broaden the sources of investment.

We should strengthen the construction of key projects and make every possible effort to increase investment in agriculture. We should particularly support the construction of infrastructure facilities in energy, transportation, and major raw materials as well as the construction of basic industries, and the construction of key projects in petrochemical, textile, and other pillar industries.

It is necessary to step up the technical transformation of enterprises. We should combine the technical transformation and upgrading of enterprises with their reform, reorganization, and improved management. We should formulate a policy to encourage and support the development of a number of enterprises with favorable conditions that have a bearing on the national economy and the people's livelihood.

We should adapt ourselves to the reform of the state investment system, establish a project capital system, vigorously implement the legal person's responsibility system, practice a public bidding system in an all-round way, strengthen control over budget estimates for projects, and improve efficiency.

We should continue to strengthen preparations for construction projects, make vigorous efforts to raise special funds for preparatory work for projects, and build more projects for economic development.

4. Revenue and expenditure:

According to the requirements of the socialist market economy, we should change financial functions, vigorously raise revenues and reduce expenditures, deepen the reform of the financial system, and broaden the sources of revenue. We should make continuous efforts to raise revenues, increase the proportion of revenues in the region's GDP, reduce the financial deficits step by step, and strive to strike a basic balance between revenue and expenditure. Revenues are planned to increase 15 percent annually during the Ninth Five-Year Plan period.

We should establish a new system for the levying and management of taxes and strengthen the enacting of tax laws. We should persist in levying taxes according to law. We should make sure that all taxes which should be levied according to taxation policy are collected; we should standardize the management of tax reductions and remissions according to taxation laws so that people will "pay taxes equitably and compete fairly."

Upholding the principles of "acting according to our capability" and "keeping expenditures within the limits of income" and the principle of "doing everything in an industrious and economical way," we should readjust the expenditure structure, rationalize the allocation of funds, and raise the efficiency of use of funds. While ensuring the availability of funds for wages and regular expenses, we should increase year by year funds for supporting agriculture and animal husbandry, investment in the construction of infrastructure, and investment in the development of social, cultural, educational, and public-health undertakings.

We should implement the "Budget Law" in an all-round way, strengthen budget restrictions, and screen and straighten out extra-budgetary funds, including circulating funds. We should gradually bring some extra-budgetary funds within the budget in order to increase the degree of concentration of funds.

5. Finance and currency:

We will continue to conscientiously implement the moderately tight monetary policy, keep the value of money basically stable, and make the growth of currency suited to economic growth. The narrowly defined money supply will annually increase 22 percent to 24 percent on the average.

We should further deepen the reform of the financial system, bring about a change in the mechanism of financial operation, improve the quality of credit funds, and give full play to the leverage role of credit and interest rates. We should impose restrictions on extensive operation and encourage intensive operation.

We should give full play to the functions of the people's bank, strengthen supervision over the banking industry according to law, maintain financial order, and ensure the security and effective operation of banks.

We should promote the reform of commercial banks and accelerate the pace of changing state-owned specialized banks to commercial banks. We should standardize the activities of commercial banks according to the "Law Governing Commercial Banks" and gradually implement the asset liability ratio and risk management.

We should vigorously introduce foreign financial institutions and investment banks, develop foreign-funded financial and investment industries in Xinjiang, and encourage them to invest directly in enterprises and to support the development and technological upgrading of large and medium-sized enterprises.

We should promote the organization and establishment of cooperative and other commercial banks in urban and rural areas in order to form a financial network serving the development of local economies and the development of small and medium-sized enterprises.

We should further improve the foreign exchange and foreign debts management systems. We should continue to improve and develop the money, bond, and stock markets as well as the insurance and financial markets.

6. Population and employment:

We should unwaveringly implement the basic national policy of family planning, strictly control population growth, improve the quality of the population, and continue to improve the population target management and responsibility system. We should vigorously promote

late marriage and late childbirth as well as prenatal and postnatal care. Stress should be placed on the work of family planning among people in the rural and pastoral areas and on birth control among the floating population. We should uphold the principles of putting stress on publicity and education, on controlling birth by practicing contraception, and on doing regular work; we should standardize and codify this work and do it in a regular and scientific way. We should strengthen the building of a family planning network at the basic level and fully implement all relevant policies and measures. The natural population-growth rate is to be kept at 1.771 percent.

We should strive to open more employment channels. We should further develop the collective economy in both urban and rural areas and other non-state sectors of the economy; we should vigorously develop the tertiary industry and labor-intensive industries in order to increase job opportunities and to keep the unemployment rate at 4 percent to 5 percent.

IV. The Main Tasks of Economic Development

1. All-round development and prosperity of the rural economy:

In developing the economy, we should give first priority to strengthening agriculture. We should stabilize the party's basic rural policies, deepen rural reform, and focus agricultural development on the building of the largest cotton-producing base and an important grain-producing base in the country. We should develop agriculture by applying scientific and technological advances and promoting education, implement "Project Seed," increase investment in agriculture, and do a good job in the construction of infrastructure facilities, with the stress on the building of water conservancy projects. We should develop a high-yield, high-grade, low-consumption, and high-efficiency agriculture, readjust and optimize the structure of rural production, and bring about the shift of the agricultural-growth mode. We should practice integrated management of trade, industry, and agriculture and particularly develop the secondary and tertiary industries at the county and township levels, with the stress on the development of village and town enterprises. We should accelerate the commercialization, specialization, and modernization of the rural economy. We should strive to raise the incomes for peasants and herdsmen and to make it possible for them to basically attain a relatively comfortable living standard. We should speed up the development of poverty-stricken areas and solve the food and clothing problems for 1 million people.

(1) We should stabilize and improve the party's basic rural policies and deepen rural reform.

The responsibility systems, with the household-based system of contracted responsibility linked to output as the mainstay, and the dual management system that combines household with collective operations will remain unchanged for a long time to come. When the original contract term for land expires, it will extend 30 years. A system for the transfer of the land-use right will be established and improved step by step. Vigorous efforts should be made to develop the rural social service system and to increase the strength of the collective economy. We should gradually establish a rural economic structure and operating mechanism suited to the socialist market economic structure and promote the rational flow and optimized organization of rural production factors. We should further deepen the reform of the system for circulation of agricultural products and gradually establish new mechanisms and an open, competitive, and orderly market network under state macroeconomic regulations and control and with prices formed mainly by market forces. We should improve the systems for major farm-products reserves and risk funds, establish systems for setting protective grain and cotton prices and for agricultural insurance, and strengthen agricultural support and protection.

(2) We should increase agricultural input through various channels.

We should give first priority to agricultural development and unwaveringly strengthen agriculture as the foundation of the economy. As required by the "Agricultural Law," we should gradually increase the proportion of funds in capital-construction investment, in budgeted funds, and in credit funds for agricultural use. We should concentrate our investment on the construction of key water conservancy projects and grain- and cotton-producing bases, comprehensive agricultural development, the building of forage-grass and feed bases and shelter-forest belts, projects of drinking water for people and animals, the treatment of soil erosion, and the popularization of achievements made in agricultural scientific research. We should formulate a policy to guide the flow of funds toward agriculture. We should encourage large and medium-sized industrial and commercial enterprises to enter the field of agricultural development. We should pay attention to guiding rural collectives, village and town enterprises, and individual peasants in increasing their investments in agriculture. We should carry out more small projects for farmland capital construction with labor investment by the masses as the mainstay. We should open up wider in agriculture and strive to introduce funds, technology, and managerial expertise from abroad through various channels and in various ways.

(3) We should strengthen the construction of water conservancy projects and farmland capital construction.

We should save on water and increase the sources of water at the same time, with the stress on the former. We should vigorously carry out the construction of water conservancy projects and farmland capital construction. We should do a good job in maintaining or rebuilding old water conservancy projects and tap the potentials of existing water conservancy projects. While harnessing rivers and engaging in comprehensive development, we should build a number of key water conservancy and hydropower projects. During the Ninth Five-Year Plan period, we should accomplish the task of making 50,000-kilometer canals seepage-controlled so as to raise the canal utilization coefficient from 0.41 at present to 0.51 and to lower the duty of water from 900-cubic-meter/mu to 700 cubic-meter/mu. By building water-increasing and water-saving projects and strengthening water management, 4 billion to 4.5 billion cubic meters of water will be supplied by 2000.

(4) We should build state grain- and cotton-producing bases.

It will be very hard to build the largest base for the production of commodity cotton and an important grain-producing base in the country only by relying on existing farmland and raising per-unit yield. We must vigorously make a comprehensive development of water and land resources and make the best of such resources. We should make overall planning for opening up wasteland for cultivation and improving medium- and low-yield farmland throughout Xinjiang. During the Ninth Five-Year Plan period, it is planned to open up 7 million mu of land for cultivation, of which 5 million mu will be used to grow cotton, and to improve 10 million mu of medium- and low-yield farmland. Of the 10 million mu, 6 million are in cotton-producing areas. In addition, we should work hard to raise per-unit production and to initially form a pattern in which grain will be produced in the north of Xinjiang, and cotton in the south.

By 2000, the acreage sown to grain crops will be 26 million mu, with total grain output reaching 8.5 million tonnes and the average per capita output of grain reaching 460 kilograms. By then it is planned to grow 16 million mu of cotton, with total cotton output reaching 1.5 million tonnes, 1 million of which will be supplied to the state.

We should do a good job in building a sugar-crops-producing base in the region. We should make full use of the region's unique favorable conditions for the development of quality-melon and quality-fruit production; we should build areas for the production of pears,

grapes, Hami melons, and other commodity melons and fruits. It is planned to produce 6 million tonnes of beet and 2.8 million tonnes of melons and fruits by 2000.

(5) We should strengthen the network for dissemination of scientific and technological knowledge and carry out "Project Seed."

We should stabilize and strengthen the ranks of personnel who disseminate scientific and technological knowledge; do a good job in training peasants in practical techniques, and improve the quality of agricultural radio school teaching in order to raise the quality of peasants and their awareness of the importance of scientific farming. We should gradually establish complete networks for dissemination of technical knowledge of agriculture, forestry, and animal husbandry throughout the region and form a service system with departments in charge of state dissemination of such technical knowledge at the regional, prefectural, county, and township levels as the mainstay and supported by community collective economic organizations and associations of peasants and herdsmen. While developing a high-yield agriculture as the central task in connection with implementation of the bumper harvest program and of the contracts by scientific and technological groups, we should concentrate our resources and funds on a large-scale popularization of highly suitable and effective advanced techniques which can be used in large areas with remarkable results. We should make every possible effort to turn such techniques into an actual productive forces as soon as possible so that they can serve the purposes of increasing production and income.

During the Ninth Five-Year Plan period, we should select and popularize a number of good strains of seeds which can increase production by more than 10 percent. We should change the seeds of major crops once and raise the quality and commodity rate of seeds. We should build areas for breeding original local seeds and improved variety, improve the system for the supervision, examination, and attestation of seeds, and see to it that good strains of seeds are sown on more than 95 percent of farmland.

We should strengthen the industries in support of agriculture and ensure the effective supply of farm machinery, chemical fertilizers, plastic sheeting, and other materials for agricultural use. We should establish and improve a socialized farm-machinery service network. By 2000 the total power of the region's farm machinery is planned to reach 5.7 million kilowatts, and the comprehensive mechanization of farm work to reach 75 percent.

(6) We should vigorously develop animal husbandry and aquaculture.

We should develop animal husbandry on grasslands and in suburban areas at the same time. Particular efforts should be made to change the traditional nomadic way of life. We should develop animal husbandry on grasslands, accelerate the building and improvement of artificial pastures, and build forage grass and feed bases. We should develop dry lot feeding, semi-dry lot feeding, and lamb raising and increase the grassland capacity of raising cattle. During the Ninth Five-Year Plan period, it is planned to build 4.08 million mu of forage land, to improve 13 million mu of pastures, and to basically settle herdsman permanently or semi-permanently. A total of 128,000 herdsman households have settled down, accounting for 80 percent of the total herdsman households. It is necessary to rely on abundant farm products and straw resources provided by agricultural producers and to popularize techniques for storage and ammoniation of straw to raise livestock. Vigorous efforts should be made to develop animal husbandry in agricultural and suburban areas, to promote intensive, appropriate-scale production, to improve the agricultural ecological environment, and to gradually build livestock production centers with the integration of agriculture with animal husbandry and that of crop cultivation with livestock raising. We should speed up the development of the economy in the pastoral areas and build centers for production of quality beef and mutton, quality fine-wool sheep, white cashmere, pigs, and poultry. We should increase the output of meat, wool, milk, poultry, eggs, and other livestock products and raise their commodity rates. By 2000 the output of wool and milk and the year-end livestock headage in stock are planned to reach 77,400 tonnes, 1 million tonnes, and 45.16 million head respectively.

Vigorous efforts should be made to develop aquaculture, to strengthen the processing and comprehensive use of aquatic products, and to accelerate the circulation of such products in order to enrich the lives of urban and rural residents. By 2000 the output of aquatic products is planned to reach 55,000 tonnes.

(7) We should strengthen the development of forestry.

We should implement the principles of "resolutely protecting forests, vigorously plant trees, and making rational use and all-round development of forests." We should vigorously plant trees to make the region green, accelerate the development of forest resources, and improve the ecological environment. We should energetically develop fuel, shelter, and timber forests, improve the economic forests, and strengthen the protection, restoration, or transformation of natural forests in river valleys and deserts. We should stress the building of the third-stage project for the Sanbei shelter forests. We should deepen the construction and reform of state-

owned forestry in mountainous areas and stress the building of two forestry projects, one for the Tianxi and Ashan Forestry Bureaus each. During the Ninth Five-Year Plan period, it is planned to afforest or 15.15 million mu, 4.875 million mu of which will be covered by planted forests, and 11.25 million mu by natural forests. The percentage of forest cover in the region will reach 1.84 percent. Some 8.13 million mu of desert will be treated in a comprehensive way, and 2.965 million cubic meters of timber will be produced.

(8) We should speed up the development of village and town enterprises.

We should develop the secondary and tertiary industries at the county and township levels, with the stress on the development of village and town enterprises. We should persist in multi-wheel driving along multiple tracks [dao lun qu dong duo gui yue xing 1122 6544 7517 0820 1122 6510 6663 5887]. We should follow the road along which trade, industry, and agriculture are under integrated management, urban and rural areas are linking with each other, and they complement each other with their favorable conditions while making coordinated development. Stress should be placed on the development of light industry and textile industry with farm and livestock products as their raw materials, on the development of processing of farm and sideline products, and on the development of processing of local raw materials and mineral products. Vigorous efforts should be made to develop in-depth processing industry with downstream petrochemical products as its raw materials and to develop construction industry and building materials industry. We should accelerate the development of the tertiary industry in order to create more job opportunities for surplus labor in the rural areas. We should broaden the sources of income and raise the incomes for peasants. By 2000 the total output value of village and town enterprises is planned to reach 46.7 billion yuan. Of this figure, the industrial output value of the village and town enterprises will reach 27.8 billion yuan. Then, the village and town enterprises will employ a total of 1.55 million people. The all-personnel labor productivity will reach 31,000 yuan per capita. At the same time, we should suit measures to local conditions, grasp the key points, pay attention to quality and an appropriate scale, and bring aggregate efficiency [ji ji xiao yi 5112 7162 2400 4135] into full play. We should place stress on the economic belt on the northern slope of Tianshan Mountains, rely on small towns and small industry-trade areas, make a rational distribution of production, optimize the organization of production factors, and expand the scale of enterprises.

(9) We should carry the project to solve the food and clothing problems for 1 million people.

We should continue to aid the poor by using developmental methods. We should carry forward the spirit of self-reliance and hard work and should also strive to obtain more support from state poverty-relief and development funds and state work relief funds. We should further build infrastructure facilities, such as water and power supply facilities and roads, and improve the exterior environment and conditions for development. A series of preferential policies regarding poverty relief laid down by the state and the autonomous region will be extended to 2000. We should further strengthen the work of family planning in poverty-stricken areas and encourage people to give birth to fewer children and to get better-off faster. We should suit measures to local conditions and vigorously develop a diversified economy in order to solve the food and clothing problems as soon as possible and then to get better-off. By 2000 it is planned to have the average per capita net income for most households with material difficulties reach 500 yuan or more (calculated in 1990 constant prices), and per capita grain ration will be more than 200 kilograms. By then, basic and stable conditions will be created for solving the food and clothing problems, and those who land in poverty again after shaking it off will be kept under 5 percent.

2. Continuing to strengthen the construction of infrastructure facilities and basic industries:

The rapid development of the economy and the rising consumption level of people will set higher demands for basic industries and infrastructure facilities, such as irrigation works, energy, transportation, postal and telecommunications services, and urban public utilities. It is urgently needed to accelerate the construction of infrastructure in order to improve the investment environment and to speed up the development of the economy, and this is also a necessary guarantee for increasing the staying power for future economic development and for achieving the purposes of industrialization and modernization.

(1) Energy industry.

(A) Petroleum industry.

We should continue to implement the principles of "relying on the main force of the industry and the social foundation and making overall planning for common development," strengthen the work of oil prospecting to increase the amount of oil deposits, and build our region into an important base to produce petroleum and natural gas for the country. We should continue to do in-depth prospecting in the Zhungeer, Turim, and Tuba Basins and the small basins of Yanahi, Chaiwobao, and Santanghu where oil and natural gas structure has been discovered. Stress should be placed

on prospecting in areas with favorable but unverified structure in order to make fresh breakthroughs. In prospecting work, we should increase technological exchanges between various departments and vigorously engaging in economic and technological cooperation with other countries. During the Ninth Five-Year Plan period, it is planned to increase 1.5 billion tonnes of newly verified oil deposits and 150 billion cubic meters of newly verified natural gas deposits throughout Xinjiang. In exploiting oil deposits, we should continue to maintain the status of the Zhungeer Oilfield as the main force in crude oil production and keep a steady and appropriate increase in output. After verifying their increased oil deposits, the Tarim and Tuha Oilfields should increase their oil production step by step in order to become major oilfields. By 2000 it is planned to have 4 billion cubic meters of natural gas available for use.

The oil-refining industry should make its production of upstream and downstream products an integrated process and coordinate the development of such products. With its focus on efficiency, it should develop in-depth oil processing. This industry should increase its secondary and tertiary processing capability (er ci san ci jia gong neng li 0059 2945 0005 2945 0502 1562 5174 0500) as its central task and adopt effective measures to support the primary processing (0001 2945 0502 1562) of crude oil in order to acquire a comprehensive processing capability which will result in a high level of resources utilization, a rational product mix, flexible adjustment, high added value, strong marketability, and a wide range of downstream products. This will make it possible for existing fuel-type refining enterprises to quickly turn into chemical-industry enterprises. Meanwhile, this will also provide rich primary raw materials for chemical industry. By 2000 the oil-processing capability is planned to reach 16.5 million tonnes.

B. Coal industry.

In developing the coal industry, we should follow the principle of paying equal attention to both prospecting and protection. In our region, the coal industry's level of resources utilization is low, its waste of resources is serious, and the distribution of production capability is uneven. In view of these facts and market demand, we should mainly follow three focal points in developing and building the coal industry: First, our most important task is to build the coal industry in southern Xinjiang and other coal-deficient areas; second, we should continue to do a good job in mining thermal coal in Urumqi, in transporting coal to Hami, and in building the Aiwolergou charred coal base; third, we should strengthen the construction of state-owned coal mines and village and town coal mines, with the stress on technical transformation.

C. Power industry.

In developing the power industry, we should conscientiously implement the "Electric Power Law" and the principles of "suiting measures to local conditions, building both large and small and thermal and hydraulic power stations, and doing so through various channels." In developing the sources of electricity, we should persist in combining thermal-power generating with coal industry by building power stations near coal mines; we should combine hydropower generating with irrigation works by building multi-functional key water conservancy and hydropower projects with a regulating capability and comprehensive efficiency. We should make overall planning for power-grid construction, which should be coordinated with the development of electric sources. We should continue to do a good job in building the extension project of the Urumqi power grid and a power transmission project. By the end of this century, Xinjiang's main power grid will be built which will connect Hami in the east, Aksu in the south, Jinghe in the west, and Tacheng in the north. At the same time, we should strengthen the construction of power grids in various areas, especially in four prefectures in southern Xinjiang, in order to lay a foundation for the formation of a unified power grid across the region. After solving the problem of electric power during the Eighth Five-Year Plan period for counties which originally had had no electric power at all, we should strengthen the electrification of 20 counties and pay close attention to power construction in remote border counties and townships. We should make full use of wind and solar energy to generate electricity in order to broaden the sources of electric power. During the Ninth Five-Year Plan period, the newly installed capacity is planned to reach 1.6 million kilowatts. By 2000 Xinjiang's total installed capacity will reach 4.6 million kilowatts. We will see to it that the growth of electric power will suit the needs of economic development.

D. Saving on energy resources.

We should redouble our efforts to carry out technical transformation. Considerable progress should be made in linking production with thermal-power generating, making use of gas on oilfields, coal dressing and washing, the development of new energy-saving building materials, the development and popularization of energy-saving and material-saving technology and products by various industries, and comprehensive use of resources. We should continue to step up the development of new energy resources and pay attention to energy construction in rural areas. Implementing the principle of using multiple energy resources to complement one another, we should develop fuel forests, popularize the use of coal and firewood-saving cooking stoves, and adopt a

preferential policy to encourage the development and use of wind and solar energy resources. Every possible effort should be made to improve the situation of energy resources in the rural areas.

(2) Transportation and post and telecommunications service.

In transportation, it is necessary to place stress on increasing the transport capacity and to further improve the comprehensive transport network with the highways as the mainstay and the railways as the backbone and with air and pipeline transport coordinating with one another. In post and telecommunications service, we should initially build a modern network of communication with advanced technology, safe and reliable operation, and a complete variety of good-quality services.

A. Transportation.

Highways: While strengthening the maintenance of existing highways, it is necessary to place stress on the construction of National Highways 216, 217, 312, 314, and 315, two of which are being built from north to south, and three from west to east. These highways will constitute a high-efficiency expressway network which will basically connect all prefectures, cities, counties, regimental farms, and ports in Xinjiang and which will connect the region to the interior of the country in the east and to surrounding countries in the west. In assigning priority to projects, our first priority is to be given to rebuilding National Highway 312 during the Ninth Five-Year Plan period in order to make it a main thoroughfare connecting the region to the interior of the country in the east and surrounding countries in the west. Vigorous efforts should be made to improve transport facilities in poverty-stricken and remote border areas, raise the grade of county and township roads, and continue to improve roads leading to ports. During the Ninth Five-Year Plan period, it is planned to build 218 kilometers of express highways, 208 kilometers of first-class highways, 124 kilometers of second-class special highways, and 745 kilometers of general highways.

Railways: While relying on the existing railways, we should speed up the construction of new rail lines to have them form the backbone of Xinjiang's comprehensive transport network. We should build fast and convenient main rail lines connecting areas north of Tianshan Mountain with those south of it. We should increase the technical equipment for passenger and freight transport, raise the managerial level in this regard, ensure that the requirements for long-distance passenger and freight transport are met, and gradually enhance the proportion of rail transport in the comprehensive transport structure. By 2000 it is planned to have operating rail lines reach 3,000 kilometers and the volume of freight

transported reach 33 million tonnes, 25 million tonnes of which will be shipped east.

Civil aviation: It is necessary to strengthen the construction of infrastructure on airports, to improve airport security facilities, and to expand airports. We should introduce advanced aircraft, rationalize the distribution of air routes, and open the market for airline service. The Ili, Kashi, and Altay airports will be rebuilt during the Ninth Five-Year Plan period. By 2000 the number of civil-aviation passengers will reach 2 million.

Pipelines: It is necessary to improve the oil and natural gas transport networks according to the requirements for the exploitation of petroleum and the distribution of its processing facilities.

B. Posts and telecommunications.

In developing telecommunications, we should persist in starting it from a high standard and in using new technology. We should accelerate the process of providing economic information. We should place stress on the construction of a long-distance transmission network with a first-grade main state optical cable and a main regional optical cable as the mainstay; we should also build a local telephone network and promote the construction of networks for mobile communication, video business, intellectual work, multimedia, and telecommunications management and supportive service. We should vigorously develop telephone service in the rural areas. In postal service, we should increase our mail-delivery capability and gradually make mail processing mechanized and automated. Postal service management and postal window service should be gradually computerized. By 2000 the total volume of postal and telecommunications service will reach 3.34 billion yuan.

(3) Urban and rural planning and construction.

We should promote urbanization in our region according to the principles of "appropriately controlling big cities, developing medium-sized cities in a selected way, and vigorously developing small cities and towns with distinct features." By the end of this century, the urbanization of the region will reach 36 percent. Then, we will build step by step a network of multi-level and multi-function cities and towns whose distribution is rational and which conform to the special characteristics of the region.

We should continue to step up the coordinated construction of public utilities in cities and towns, strive to improve the functions and service levels of urban and rural public utilities as a whole, and speed up the building of complete urban and rural socialized service networks. We should improve the appearances of cities and the investment environment and strive to make the levels

of urban and rural public utilities compatible with the level of economic development and people's relatively comfortable living standard. During the Ninth Five-Year Plan period, we should continue to do a good job in the construction of roads and water- supply and drainage projects in the urban areas. By 2000 tap water will be available to 96 percent of the population in cities and to 83 percent of the population in towns. Efforts should be made to raise the rates of centralized heat supply, paved roads, and tree cover in towns.

Rural construction should be continuously carried out according to the principles of "making overall planning, giving correct guidance, relying on the efforts of the masses, suiting measures to local conditions, and undertaking step-by-step construction." We should stress the construction of towns and also do a good job in the construction of residential centers and villages in rural and pastoral areas in connection with "five-good" construction in rural areas, the development of village and town enterprises, and the permanent or semi-permanent settlement of herdsmen. Then, we will have a rational distribution of towns and villages with a beautiful environment and with ethnic and local characteristics where things are conducive to production and convenient to people in daily life.

3. Invigorating pillar industries and readjusting and transforming processing industries:

We should persistently follow the road of combining intensive with extensive industrial development, use high technologies to equip pillar industries and transform traditional industries, bring about the shift of the economic-growth mode from being extensive to intensive, and turn our favorable conditions in natural resources into a high-standard, large-scale industrial economy. During the Ninth Five-Year Plan period, industrial development should base itself on favorable conditions in natural resources and be geared to market demand. We should optimize the product mix, select superior enterprises for support, form an economy of scale, increase our competitiveness, and raise economic efficiency. We should vigorously develop petrochemical and natural gas-chemical industries, textile and food industries, and building materials industry and make them pillar industries to help upgrade the industrial structure in our region. We should maintain a rational economic scale and readjust, reorganize, transform, or develop existing industrial enterprises from a relatively high technological level in order to improve the quality and efficiency of the industry as a whole.

(1) Petrochemical, natural gas-chemical, and chemical industries.

Petrochemical and natural gas-chemical industries will become the main points of growth in the autonomous region's economy. During the Ninth Five-Year Plan period, the development of petrochemical and natural gas-chemical industries should be based on their optimized distribution and comprehensive use of resources. While improving in-depth processing, we should focus our attention on the development of nitrogenous fertilizer, synthetic fiber, synthetic resin, and synthetic rubber and vigorously develop organic industrial chemicals. According to the principle of developing "large-scale chemical industry," we should make overall planning, highlight the focal points, make a rational distribution of chemical industries, and pay close attention to efficiency. Chemical industries in the region should rely on and be associated with state-owned chemical-industrial enterprises; they can also depend on local enterprises and their social basis; they should make full use of their own favorable conditions and work together to develop themselves. During the Ninth Five-Year Plan period, we should first build an important ammoniated fertilizer production base in Xinjiang in order to lay a sound foundation for turning our region into a large state-level comprehensive petrochemical-industry base. The development of petrochemical industry, especially its downstream products, should be linked with the development of textile and building-materials industries so as to gradually form a group of new industries with the petrochemical industry as the "dragon's head." This will also help promote the readjustment and optimization of the industrial structure in our region.

In developing petrochemical and natural gas-chemical industries, we should uphold the principles of "exploiting oil and natural gas at the same time, integrating the development of upstream products with that of downstream products, and raising the comprehensive utilization rate" and implement the principles of "an appropriate scale of operation, in-depth processing, and the improvement of efficiency." We should rely on the existing oilfields and refineries to build three large and three small chemical-industry bases — we should rely on the Urumqi General Petrochemical Works to build a chemical fiber base with the production of polyester and acrylic fibers as the mainstay; we should rely on the Dushanzi-Karamay Refinery and Petrochemical plant to build a rubber and plastic chemical-industry base with the production of ethylene and synthetic resin as the mainstay; and we should rely on the Tarim Oilfield to build an nitrogenous fertilizer and paraxylene base in Korla with the utilization of natural gas and condensate petrochemicals as the mainstay. At the same time, we should rely on the Yakela, Kekeya, and Tuha oilfields to build three chemical-industry bases in Kuqa, Zepu, and Turpan with their own distinguishing features.

As for the steps to take in such development, we should first accelerate the expansion of the existing petrochemical-production capability and the capability of processing downstream products so that we will be able to reach a rational economic scale and to obtain a comprehensive processing capability. Second, new production capability should be built with an appropriate economic scale and advanced technology and according to a proper plan for the distribution of such capability so that we will be able to operate from a relatively high standard and to have a fairly strong ability to compete and to develop downstream products. Third, we should make comprehensive chemical use of natural gas, especially gas produced on oilfields, in order to reduce the waste of resources and the pressure on the production of crude oil and to obtain economic, social, and environmental benefits at the same time. By 2000 Xinjiang's capability of producing major petrochemical products will reach 200,000 tonnes of ethylene, 100,000 tonnes of polyester, 100,000 tonnes of acrylic fibers, 40,000 tonnes of anhydride, 1.58 million tonnes of synthetic ammonia, and 2.97 million tonnes of urea.

In developing salt and inorganic salt chemical industry, stress should be placed on the development of caustic soda, soda ash, corvic, and other chlorinated products. Continuous efforts should be made to develop sulfide soda, anhydrous sodium sulfate, nonferrous metal salt, chromic salt, and other inorganic salt products. In developing rubber processing and other chemical industries, we should do a good job in the technical transformation of existing enterprises. We should give priority to the construction of such key projects as a 120,000-tonne ammonium phosphate project in northern Xinjiang, the monarkite project of the Shanshan General Chemical Plant, and the extension project of the Bukeszier Chemical Plant. By 2000 we will strive to produce 170,000 tonnes of sulphuric acid, 80,000 tonnes of soda ash, 90,000 tonnes of caustic soda, and 1.2 million sets of urea.

(2) Raw materials industry.

A. Iron and steel industry.

It is necessary to speed up the development of the iron and steel industry and to vigorously readjust the structure of its variety. During the Ninth Five-Year Plan period, we should concentrate our resources on the construction of the extension project of No. 8 Steelworks to have its steel output reach 1 million tonnes, to attain a new height in technological equipment and economic efficiency, and to raise its product quality to a new level by 2000. Efforts should be made to meet the needs of economic construction in quantity, quality, and variety. At the same time, we should step up our efforts to

prospect for natural resources and to build mines for No. 8 Steelworks.

B. Gold and nonferrous metal industries.

We should continue to implement the principles of "giving priority to developing gold mines and vigorously developing nonferrous metal mines," encourage geological and mining departments to make prospecting and mining a coordinated process, and support prefectures and counties in taking an active part in mining gold and nonferrous metals. During the Ninth Five-Year Plan period, we should strive to have eight counties to mine 10,000 taels of gold each. While placing stress on the construction of the Ashele Copper Mine, we should also carry out the extension project of the Axi Gold Mine. By 2000 the region's gold output will reach 7,800 kilograms, raising its rank from eighth to sixth in the country, and its output of major nonferrous metals will reach 70,000 tonnes.

C. Pharmaceutical industry.

Stress should be placed on the development of biochemical medicines produced mainly from plant extracts and animal internal organs according to the domestic and international trends of development of medicine, the national medicine policy, and the region's conditions. Vigorous efforts should be made to develop a series of national medicines. By 2000, the output of medicines with chemicals as their raw materials will reach 1,394 tonnes, and the output of Chinese-patent drugs will reach 3,713 tonnes.

(3) Light, textile, and electromechanical industries.

A. Textile industry.

We should conscientiously implement the state plan for moving spindles for cotton spinning from the east to the west and improve the distribution of cotton-textile industry. With the Xinjiang Textile Mill, the No. 8 Textile Mills, and other large enterprise groups as the "dragon's head" and relying on the existing textile foundation in Changji, Kuytun, Korla, Kashi, Aksu, and other prefectures and cities, we should build relatively concentrated small cotton-textile industrial areas and expand small cotton textile mills in large cotton-producing counties in order to enable them to reach an appropriate economic scale. We should focus our attention on the production of quality yarn and quality cloth. At the same time, we should also pay attention to coordinated, in-depth processing. We should vigorously develop chemical-fiber industry. While giving priority to the construction of the Xinjiang Polyester Fiber Plant, we should also do a good job in building synthetic fiber projects. In wool manufacturing, we should improve the quality of its products,

effectively carry out the technical transformation of existing enterprises, and develop a new variety of products, which should have the qualities of being thin, fine, and soft and with blended fabric. In blast fiber industry, we should appropriately expand its production capability, raise the degree of its processing, and develop the blending of multiple fibers. In silk industry, we should attach equal importance to real silk and chemical fibers and vigorously develop new products in order to satisfy the needs of consumers at different levels.

B. Light industry.

Implementing the strategy of brand-name products, we should vigorously develop the food industry with the processing of farm and sideline products as the mainstay. We should promote the rational utilization of resources. In sugar refining industry, we should put stress on the construction of a number of new sugar refineries, while transforming and improving the production capability of existing enterprises. In canned food industry, we should place stress on the improvement of tomato ketchup, control the scale of this industry, optimize its distribution, increase the variety of its products, and vigorously develop the production of canned beef, mutton, melons, fruit, and nutritious and healthy food.

In paper making industry, we should uphold the principle of "concentrating the making of pulp and scattering of the making of paper" and mainly use grass and reed pulp to make paper. At the same time, we should vigorously develop cotton linter pulp and cotton stalk phloem pulp for paper making and increase the variety and output of high- and medium-grade paper. Stress should be placed on the construction of the extension projects in the Bohu and Altay Paper Mills.

In connection with the building of grain- and cotton-producing bases and the construction of large-scale canal seepage-control projects, we should vigorously develop plastic pipes, seepage-control plastic sheeting, plastic sheeting for making sheds, irregularly shaped products, engineering plastics, and other high add-value products.

In leather processing industry, we should rely on brand-name products and import advanced technology and equipment to improve product quality.

We should support local tobacco production, attach importance to the development of tobacco industry, and actively support the development of industries turning out products particularly needed by people of minority nationalities.

C. Machine-building and electronics industries.

While putting stress on the development of special quality products, we should strengthen the technological development, reorganization, building, or transformation of enterprises in order to further improve product quality. In connection with the building of grain- and cotton-producing bases and the exploitation of oil and natural-gas resources, the machine-building industry should put stress on the development of advanced machinery suitable for agricultural use and the development of refitted heavy-duty trucks, desert trucks, refitted trucks for special use, and parts. It should continue to develop pumps for use by petroleum, chemical, and other industries; large pressure containers; high-efficient heat exchangers; and general-purpose machines and parts for use by petroleum and chemical industries. It should further develop high-efficient, energy-saving industrial boilers and large and medium-sized transformers and other electrical products. We should encourage the development of bearings and other basic parts. We should vigorously support the development of electronics industry, promote the application of electronic information technology, and transform and equip traditional industries with advanced electronic technology. By 2000 the region will have 2,000 large and medium-sized cotton-field tractors, 3,000 small combine harvesters, 8,000 tonnes of petroleum machinery and parts.

(4) Construction and building-materials industries.

To meet the requirements for establishing a market economic structure, we should accelerate the pace of reforming the construction industry, encourage enterprises to compete in the market, do a good job in enterprise management, raise the level of mechanized equipment, and increase enterprises' ability to compete. Efforts should be made to form an integrated three-level industrial structure with general-contractor enterprises as the "dragon's head," construction-contractor enterprises as the mainstay, and specialized subcontractors and enterprises as the backing, the development of which will be coordinated. According to the requirements for establishing a modern enterprise system, we should organize enterprise groups and enhance their overall strength. Such enterprise groups should try to contract more projects in other parts of the country and abroad. We should develop and standardize the construction market, establish and improve a system of laws and regulations in this regard, and improve the competitive mechanism for public bidding. We should strengthen contract and project-quality management and improve the system of quality control in order to ensure the quality of construction. We should adopt new technology, new equipment, and new materials; at the same time, we should save on energy and materials, lower construction costs, and improve economic efficiency. By 2000 we should strive

to have our one-time construction acceptance rate reach 90 percent and the rate of construction quality being excellent top 20 percent.

While stabilizing and improving the quality of current building materials, we should vigorously readjust the product mix, increase the variety of products, and give priority to developing top-quality cement, top-quality float glass, sanitary ware, decorative and finishing materials. We should vigorously develop new-type, energy-saving wall materials and develop the in-depth processing of asbestos, vermiculite, rock materials, talcum powder, and other nonmetallic materials. By 2000 the output of cement will reach 8.5 million tonnes, that of plate glass 3.25 million dead weight cases [zhong liang xiang 6850 6852 4630], that of sanitary ceramic basins 380,000 pieces, and that of clay facing tiles 1.45 million square meters.

4. Making vigorous efforts to develop the tertiary industry:

The development of the tertiary industry should be based on the development of the primary and secondary industries and adapted to the needs of economic and social development. We should gradually increase the proportion of the tertiary industry in the economy, coordinate its development with the development of the primary and secondary industries, and make them promote one another. We should rationalize and standardize the structure of the tertiary industry and continue to raise its level and service quality.

We should speed up the building of commodity markets and gradually form an open, unified market network with the combination and a rational distribution of big and small markets. On the basis of improving and standardizing existing urban and rural markets, we should establish and develop a number of multifunctional, broad-radius specialized wholesale markets, vigorously develop cash and futures-trading markets for major farm and livestock products and manufactured consumer goods, speed up the building of a market for capital goods, and do a good job in building a network of retail stores. We should gradually build wholesale markets for steel products, timber, cement, and automobiles in the region. We should build Urumqi into a center for exchange of commodities, materials, and information and then link this center to prefectural wholesale markets, comprehensive wholesale markets for border trade, and urban and rural markets to form a fairly complete market network. We should lay stress on the construction of facilities for the circulation and storage of commodities, build transshipment storage facilities for grain, cotton, processed oil, chemical fertilizers, and sugar along the lines of communication,

and establish and improve the region's system of major commodity reserves.

We should attach importance to the development of international, across-border, and domestic tourism. With the Urumqi tourist area as the "dragon's head" and the Silk Road as the main tourist route, we should accelerate the development of new, diversified scenic areas, new tourist routes, and a vast desert landscape with distinguishing western features. We should vigorously develop new, rare, thrilling, and peculiar tourist projects and tourist souvenirs with national characteristics and strive to improve the level and cultural content of tourism. Great efforts should be made to develop basic tourist facilities and to improve service quality. We should vigorously broaden the sources of tourists, strengthen tourist promotion, raise the rank of our region in the country in tourist earnings, and build Xinjiang into a major tourist region in the west of the country. We should strive to receive 355,000 tourists and earn \$120 million of foreign exchange from tourism by 2000.

We should promote the socialization and industrialization of information and consulting trades so that they will become new important trades in advancing the development of the economy. We should promote the development of the information market, strengthen the management of information service, and gradually build a comprehensive social and economic information service network. We should speed up the development of the information service trade with the computer service as the mainstay; we should develop the hookup of computers, step up the building of the data base, and accelerate the development and application of information resources according to social needs. We should vigorously develop consulting services in science and technology, engineering and architecture, statistics, economic management, accounting and auditing, assets assessment, and law; we should energetically train personnel for various types of consulting services. All accountants and lawyers should run their offices well. We should further develop the advertising industry, improve the quality of personnel engaged in this trade, ensure the quality of advertising, and strengthen the supervision and management of the advertising industry.

It is necessary to develop and standardize the banking, insurance, and securities operations and other non-banking financial businesses providing effective service for society. We should establish and improve a mechanism for accommodation of funds, a network of financial institutions, a network of money markets, and a financial management system. It is essential to rationally develop real estate and to lay stress on the construction of medium- and low-grade residential housing. We should redouble our efforts to carry out the settlement

project and ensure the quality of this work. We should strengthen the management of the secondary land market and establish a mechanism for the formation of market prices for land-use rights. The government should strengthen its regulation and supervision of proceeds from the transfer of land. We should establish and improve a socialized service system for daily life, increase the service items, improve service quality, and raise the popular service level. We should quickly develop social service and establish and improve a community service network.

V. Vitalizing Xinjiang By Applying Scientific and Technological Advances and Promoting Education, Giving Priority to the Development of Science, Technology, and Education

To achieve grand objectives of economic and social development depends on scientific and technological advances and the improved quality of workers. So science and technology are the key to achieving these objectives, and education constitutes the foundation for doing so.

1. Developing education in an all-round way:

Conscientious efforts should be made to implement the principle of education "being geared to the needs of modernization, the world, and the future," the "Outline of the Reform and Development of Education," and the views of the regional party committee and the regional people's government on implementation of this outline. We should persist in training socialist builders and successors to the cause of socialism as the fundamental task of education. We should give priority to the training of junior and middle-level personnel and strive to improve the ideological, moral, scientific, and cultural quality of people of various nationalities in the region. We should further deepen the reform of the educational system, optimize the educational structure, and improve the quality of education and the efficiency of running schools in an all-round way. We should lay stress on making nine-year compulsory education universal, effectively strengthen elementary education, and vigorously develop secondary vocational education and adult education. In higher education, we should focus our attention on the improvement of its quality and run colleges and universities from a high standard and with distinguishing features. We should accelerate the training of teachers and increase our investment in education. The objectives of the region in developing education are: The educational levels of people should be noticeably raised; the development scale and structural proportions of education of different types and at different levels should become rational; schools of different types and at different levels, especially schools for mi-

nority people, should attain a new level; and the number and quality of professional people of various types should be able to initially meet the needs of Xinjiang's modernization drive, laying a solid foundation for the region's economic prosperity and social progress in the 21st century.

(1). Strengthening elementary education.

While giving priority to elementary education, we should go all out to conduct nine-year compulsory education. We should decide on the objectives and speed of making nine-year compulsory education universal in different areas according to the principles of making planning for each area, giving specific guidance, and carrying out measures step by step. We should put the stress of our work on remote border, poverty-stricken, and rural and pastoral areas. We should adopt effective measures to support the development of elementary education. By 2000 we should basically make nine-year compulsory education universal in areas inhabited by 70 percent of the region's population. Then, the primary-school enrollment rate for children of school age will exceed 98 percent, the junior- middle-school enrollment rate will reach about 75 percent, and the enrollment rate for handicapped children and teenager of school age will reach about 50 percent on the average. The requirement for children to go to school will be basically met in cities and the seats of counties. One-year preschool education will be vigorously developed in rural and pastoral areas, and approximately 50 percent of the children in the region will receive such education.

(2) Vigorously developing vocational education.

It is necessary to make overall planning for senior middle school education and to vigorously develop secondary vocational education of different types and at different levels in order to train skilled workers and practical personnel of various types needed by the region in its socialist construction. By 2000 the number of students attending regular senior middle schools will be about 170,000, and the number of students attending various types of secondary vocational schools will be more than 50 percent of the above figure. Great efforts will be made to effectively run 50 key secondary vocational schools or vocational education centers throughout the region. Then, workers in urban and rural areas should receive vocational education or training before taking up a job.

(3) Developing higher education with the stress on the improvement of quality and efficiency.

According to the region's requirements for economic and social development and the development of science and technology, we should persist in developing

intensive higher education, gradually make its scale appropriate and its structure rational, and noticeably improve its quality and efficiency. By 2000 the number of students attending regular colleges and those attending junior colleges in the region will reach 85,000 — the number of students attending regular institutions of higher learning will be about 40,000, and the number of students attending institutions of higher learning for adults will increase to 45,000. Of the 85,000 students, 25,000 will attend regular colleges, and 60,000 will attend junior colleges. Then, people at the age of 18 to 21 attending schools reach 7 percent of the people of the age group. We should speed up the development of graduate school education. By 2000 we should strive to establish five additional specialty departments authorized to grant doctor's degrees and more than 40 additional specialty departments authorized to grant master's degrees. Then, students attending graduate schools will reach 800.

(4) Strengthening of adult education.

We should vigorously develop adult education, with the stress on the elimination of illiteracy, on-the-job training, and continuing education. By 1997 we should strive to basically eliminate illiteracy among the young people throughout the region and to make the literacy rate among them reach 95 percent. Efforts should be made to establish a system for training personnel in various trades and to improve the ideological and cultural quality and professional competence of personnel engaged in various trades through on-the-job training, continuous education, and in-service school education. Stress should be put on practical results in eliminating illiteracy in rural and pastoral areas, and the elimination of illiteracy should be combined with training in practical skills. Importance should be attached to teaching through television and correspondence, spare-time study, guidance for self-study, and other forms of study. It is essential to encourage people to train themselves through self-study, to bring the vocational, direct, flexible, and other characteristics of adult education into full play, to integrate study with application, and to conduct education according to needs. We should further improve the system of examination for the self-taught in higher education and expand the scope of examination for the self-taught in technical secondary education.

(5) Deepening the reform of the educational system.

It is necessary to deepen the reform of the system for running schools; to straighten out the management system; and to gradually establish a new system under which schools are run mainly by the government, with various sectors of society participating; to improve teaching methods and the content of courses; and to

increase our vitality in running schools. Efforts should be made to properly reform the enrollment system for institutions of higher learning and for vocational and technical secondary schools, the system for collection of fees and tuition, and the graduate employment system.

(6) Strengthening the building of the teacher ranks.

The key to improving the quality of education lies in improving the quality of teachers. Further efforts should be made to strengthen the building of the teacher ranks. We should strive to build a contingent of teachers with good political quality and a rational structure, the number of whom should remain relatively stable. We should conscientiously implement the "Teachers Law," raise the salaries for them, and improve the working and housing conditions for them.

2. Vigorously promoting scientific and technological advances:

In developing science and technology, we should implement in an all-round way the guidelines laid down in the "Decision of the CPC Central Committee and the State Council on Acceleration of Scientific and Technical Advances" and the "Views of the Autonomous Region on Implementing the Decision"; we should establish the concept that "science and technology constitute a primary productive force" and uphold the principle that "economic construction must rely on science and technology, and scientific and technological work must be geared to the needs of economic construction"; we should vigorously implement the strategy of "vitalizing Xinjiang by applying scientific and technological advances and promoting education" and deepen the reform of the science and technology management system; we should strengthen scientific and technological cooperation and exchanges, integrate scientific research with production, accelerate the process of integrating science and technology with the economy, and truly shift Xinjiang's economic construction and social development to reliance on scientific and technological advances and the improved quality of workers.

Regarding the direction for the development of science and technology, we should keep in mind the development of basic and pillar industries and give priority to supporting selected industries or fields that can make full use of the region's favorable conditions in natural resources. In making planning for the development of science and technology, we should concentrated on limited targets, highlight the focal points, and strive to make breakthroughs. As far as the three different scientific-research stages — basic research, applied research, and developmental research — are concerned, we should put stress on developmental research; in research on production technology, managerial expertise, and service tech-

niques, we should put stress on research in production technology; as for research through our own efforts and importing technology from abroad, we should put stress on the latter. We should vigorously step up our work in disseminating knowledge of science, pay close attention to the application and popularization of achievements made in scientific research, and speed up the process of turning scientific and technological achievements into an actual productive force.

(1) Developing agricultural science and technology.

We should accelerate the reform of the system for agricultural scientific research and establish new mechanisms which are conducive to strengthening basic agricultural scientific research and high-tech research, to concentrating human, financial, and material resources on solving key scientific and technological problems, and to making major breakthroughs. This is aimed at increasing grain and cotton production, carrying out the "vegetable basket" project, and developing town and township enterprises. It is also aimed at developing intensive farming and continuously raising the rate of utilization of agricultural resources, labor productivity, and the input-output rate. While trying to solve key scientific and technological problems, we should also import technology. We should concentrate our efforts on solving key difficult technological problems in agricultural development, with the stress on techniques for breeding new, good strains for major crops, trees, fruits, domestic animals, poultry, and fish; on techniques for disease and pest monitoring, forecasting, prevention, and treatment for major crops, domestic animals, and poultry; and on techniques for good-quality and high-yield farming. A good job should be done in research on techniques for water-saving irrigation and environmental protection in view of dry deserts and oasis farming in the region. It is also necessary to engage in research and development of techniques for preservation, storage, shipping, processing, packaging, and comprehensive use of agricultural products; techniques for livestock and agricultural mechanization; and application of biological and microelectronic techniques in agriculture and animal husbandry. (filing to be resumed after 2230 GMT on 3 Jun)

(2) Importing, absorbing, and developing industrial technology.

The most important task in developing industrial science and technology is to accelerate the transformation of natural resources into products and to advance the readjustment of the industrial structure, optimization of the product mix, and development of a modern industrial system in our region. It is necessary to import technology and organize people to tackle key scientific and technological problems according to the

requirements for the development of such pillar industries as the petrochemical and natural-gas-chemical industries, light and textile industries, and construction and building-materials industries, and for the development of such basic industries as energy, transportation, and telecommunications. We should make plans and formulate policies for importing technology from abroad according to the needs of the pillar industries. Attention should be paid to the introduction, digestion, absorption, development, and popularization of key industrial technologies. We should gradually establish mechanisms for enterprises to develop technologies through their own efforts, strengthen the engineering development [gong cheng hua kai fa 1562 4453 0553 7030 4099] of scientific and technological achievements and patent technologies, quicken the replacement of old generations of products with new ones, and raise the quality and competitiveness of products. Educational and scientific research institutions should coordinate closely with production departments. We should promote the integration of production with education and research to promote all-round technological progress in enterprises.

(3) High technology and its industrialization.

In developing high and new technology and high-tech industries, we should keep in mind the direction of development of high and new technology and its achievements at home and abroad and should develop technology for electromechanical integration, biological technology, new-material technology, new-energy and energy-saving technology, petrochemical and natural-gas-chemical technology, and fine chemical technology. We should stress applying high and new technology to transforming traditional enterprises, strengthening the combination of high and new technology with conventional technology, promoting the upgrading of traditional industrial technology and products, raising the technically added value and product grades, and increasing their market competitiveness. Vigorous efforts should be made to promote the development of the Urumqi High-Tech Industrial Zone.

(4) Basic research and scientific research in soft science and social development.

In basic research, we should stress supporting applied basic research that can make full use of favorable conditions in natural resources and that is characteristic of Xinjiang and has certain research conditions. Efforts should be made to make breakthroughs in theoretical exploration and practical application to create favorable research conditions in fields related to favorable conditions in natural resources. Research in soft science and the field of social development should be conducted under the guidance of the theory of building socialism

with Chinese characteristics and should be focused on how to seize the opportunity in the changing, complicated domestic and international situation to readjust our strategy, deepen reform, and find a way to develop the economy. Research should be done on Xinjiang's economic and social development and on hot and difficult problems in the ecological environment, and constructive opinions and proposals should be offered to promote the making of policy decisions in a scientific, democratic, and systematic way.

VI. The Distribution of Regional Economy

During the Ninth Five-Year Plan period, the regional economy should be developed according to the principles of "overall planning, rational division of labor, suiting measures to local conditions, making full use of favorable conditions, strengthening cooperation, and seeking common development." In light of comparative advantages in various areas, we should make a regional division of labor and establish and develop an economy in each area with its distinguishing features; properly handle relations between different areas at different economic levels and between the main entities with multiple benefits in the development of the regional economy; and promote the development of a coordinated economy and strive to vitalize county economies.

1. The overall distribution and pattern of the regional economy:

We should implement the strategy of "relying on the Euro-Asia Bridge, supporting economic development in the south of Xinjiang, promoting economic development in the north, highlighting the focal points, and stressing orderly development." The overall framework relies on the comprehensive economic zone on the northern slope of Tianshan Mountain, which has the main railways and highways as its mainstay and area-economic cities as its backing, to bring about a coordinated development of the regional economy.

Taking into account the similarities between the development of natural resources and industries and their interrelations, and giving full play to the radiating and stimulating role of central cities in economic development in various areas, we should do away with administrative boundaries and continue to strengthen the building of the basic development projects and industrial functional construction in five economic areas.

(1) The northern slope of Tianshan Mountain: This area includes Urumqi, Changji Prefecture, Shihezi, Kuytun, and Karamay, which constitute the important components of the economic belt linked by the Euro-Asia Bridge. We should make further full use of their comparative favorable conditions in yielding high returns on

investment, close coordination, and opening up wider to the outside world. We should vigorously develop the petrochemical industry and the processing of its downstream products; speed up the construction and transformation of iron and steel, building materials, and light, textile, and other industries to expand their scales and raise their efficiency; and develop selected high-tech industries and selected high-tech products and develop new industries. It is necessary to vigorously develop a modern tertiary industry, stressing the development of commerce, trade, banking and insurance industries, information and consulting services, and tourism; actively develop village and town enterprises; raise the level of intensive farming; and develop animal husbandry in rural and suburban areas. Efforts should be made to solve the shortage of water resources and further raise the modernization level of infrastructure in energy, transportation, and telecommunications. We should make use of the favorable investment environment created by state- and region-level open cities and development zones to open up wider to the outside world to further accelerate the development of the export-oriented economy. We should give full play to the functions of Urumqi City as the political and economic center of Xinjiang, speed up the development of satellite cities, and do a good job in building Kuytun, Karamay, Shihezi, Changji, and other key cities.

(2) The northwest of northern Xinjiang: This area consists of Bortala, Ili, Altay, and Tacheng Prefectures. In this area, we should make full use of favorable conditions in water, land, and mineral resources and in open borders; expedite the development of water and land resources; do a good job in building grain, sugar, cotton, oil, and livestock production bases; and vigorously develop related light, textile, and food industries. We should accelerate geological prospecting, development, and utilization of nonferrous and precious metals, and gradually build gold and nonferrous metal production bases. We should further strengthen the construction of infrastructure in water conservancy, energy, and transportation. We should do well in the construction of ports along the border, open cities and cooperative zones, vigorously develop foreign trade, and expand international economic cooperation with Central Asia. We should stress the development of Yining, Bole, Tacheng, Altay, and other key cities.

(3) Eastern Xinjiang: This area consists of Turpan and Hami Prefectures. In this area, we should make full use of its very rich light and heat resources, concentrate our efforts on building long-staple cotton and quality melon production bases, develop related processing industries, and continue to raise the processing level. We should make full use of favorable conditions in petro-

leum, coal, saltpeter, ferrous and nonferrous metals, and other mineral resources to accelerate the construction of petrochemical and natural-gas-chemical industries, salt-chemical industry, coal industry, and ferrous and non-ferrous metal mining industries. We should vigorously develop tourism. We should stress the construction of Turpan, Hami and other key cities.

(4) The Northeast of southern Xinjiang: This area consists of Bayingolin and Aksu Prefectures. In this area, we should continue to develop agriculture and animal husbandry. We should stress the development of the production of cotton, sugar crops, melons, fruits, and other cash crops, and on the development of animal husbandry in rural areas. We should continue to step up the prospecting and development of petroleum and natural gas, build a petrochemical and natural-gas-chemical industrial base, and use this base to bring about the development of building-materials; light, textile, and electromechanical industries, and tertiary industry. We should strengthen the construction of facilities in energy, transportation, and post and telecommunications service, and improve the investment environment. We should do a good job in harnessing and developing the Tarim River, maintaining the ecological balance, and stressing the development of Korla, Aksu, Kuqa, and other key cities.

(5) The southwest of southern Xinjiang: This area consists of Kizilsu, Kashi, and Hotan Prefectures. In this area, we should carry out a poverty-relief program to start economic development, strengthen the construction of infrastructure in water and power supply and in roads, and improve production conditions. We should stress the building of bases for the production of cotton, melons, and fruits and on the vigorous development of light and textile industries with the processing of farm and sideline products as their mainstay. It is necessary to speed up petroleum and natural gas prospecting and vigorously expand the petroleum processing industry. We should open and build ports, increase border trade, and vigorously develop tourism. We should strengthen the comprehensive improvement of the ecological environment and focus our attention on the construction of Kashi, Hotan, Artux, Shache, and other key cities.

2. Promoting coordinated economic development in various areas:

It is necessary to step up research on economic development in various parts of the region and to implement different development strategies in different areas at different levels of economic development. While continuing to strengthen the development and construction of the important economic zone on the northern slope of Tianshan Mountain, we should make efforts to speed up eco-

nomic development in less developed areas. The other areas of northern Xinjiang, areas in eastern Xinjiang, and those north of Tarim in southern Xinjiang should rely on their tremendous potential resources, seize the good opportunity to open up to the outside world, and speed up the construction of water conservancy and power projects, railways, and telecommunications facilities. They should change the backwardness of their infrastructure, vigorously develop their natural resources, and attain a new level in the comprehensive exploitation and utilization of natural resources. They should appropriately distribute their resources-processing projects and keep raising the level of processing and the added value of processed resources. They should make efforts to build a new economic center. It is essential to further implement the strategy for opening up along the border, keep the good momentum in this regard, and increase the vitality of economic development. Vigorous efforts should be made to support and accelerate the economic development of the four prefectures and other poverty-stricken counties and townships in southern Xinjiang. Policies should be formulated according to different kinds and characteristics of poverty, and measures should be suited to local conditions. An anti-poverty plan should be worked out and implemented. We should continue to vigorously support these areas financially, materially, and technically to enable them to establish a mechanism for development through their own efforts. We should continue to carry out the "help-your-counterpart" program and encourage economically developed areas to engage in economic and technical cooperation with poverty-stricken areas. We should step up improvement of the ecological environment and improve conditions for living and development in poverty-stricken areas.

We should formulate a regional policy and an industrial policy conducive to the coordinated development of the economy. All areas and departments, state-owned enterprises, and the Production and Construction Corps should act according to the requirements for the development of the socialist market economy, remove barriers between them, rely on one another, learn from others' strong points to make up for their own deficiencies, and vigorously develop regional economic cooperation. According to the principles of "being mutually beneficial and complementing and promoting each other," we should encourage the construction of regional infrastructure and basic industries and the joint development of advantageous industries by enterprise groups or through a share-holding system.

We should base ourselves on our favorable conditions in natural resources and rely on large and medium-sized cities and large industries to develop the county econ-

only according to local conditions. We should foster economically strong counties. We should combine the efforts to enable people to become rich with the efforts to make counties become prosperous, vigorously develop non-agricultural industries, and develop various non-state-owned economic sectors. We should foster a number of multicomponent enterprise combinations through the integration of trade, industry, and agriculture, and the coordinated process of production, processing, and marketing. Where conditions permit, it is necessary to accelerate the construction of small towns and small industrial areas in connection with the development of village and town enterprises. During the Ninth Five-Year Plan period, every possible effort should be made to noticeably improve counties' financial situations and build a number of economically strong counties to play an exemplary and leading role in economic development.

VII. Deepening Reform of the Economic Structure

The strategic task for the coming 15 years is to establish and improve the socialist market economic structure, which will constitute an important guarantee for healthy economic development and all-round social progress. The region's objective of reforming the economic structure during the Ninth Five-Year Plan period is to initially build the framework of a socialist market economic structure supported by three systems (namely a modern enterprise system, an income-distribution system taking the principle of "to each according to his work" as its mainstay and supplemented by multiple distribution methods, and a multi-level social security system) and two networks (namely an open, unified, competitive, and orderly market network and a network of macroeconomic regulation and control that mainly uses indirect means) to bring the basic role of the market into play in the distribution of resources under state macroeconomic regulation and control.

1. Establish a modern enterprise system:

The reform of state-owned enterprises is the central link to be grasped in the reform of the economic structure as a whole, which is also an important and difficult task to be carried out in establishing a new socialist market economic structure. We should establish a modern enterprise system under which the property rights and the rights and responsibilities of enterprises are clearly defined, government administration and enterprise management are separated, and scientific management is practiced; and combine the reform of enterprises with their reorganization, transformation, and improved management to lay a microeconomic foundation conducive to the shift of the economic-growth mode. We should rely wholeheartedly on the

workers to establish a scientific system of organization and management. We should start from the reform of the property-rights system and make full use of existing assets. We should act according to the principle of "invigorating large enterprises and liberalizing small ones," adopt measures suited to specific conditions, take into consideration individual and general cases, give specific guidance, and promote reform with supportive measures. We should reform state-owned enterprises to improve the quality and efficiency of the state-owned sector of the economy so that such enterprises will play a leading role in market competition.

During the Ninth Five-Year Plan period, more than half of the large and medium-sized key state-owned enterprises in our region should initially establish a modern enterprise system through experimentation in selected enterprises. It is necessary to organize large, trans-regional, multi-trade, and multi-ownership enterprise groups through association, mergers, authorized assets management, administrative transfer, or by other means that integrate industry and technology with economic undertakings and that take advantageous industries or enterprises as the core, assets as the link, and brand name products as the "dragon's head." We should develop and standardize the share-holding system according to law and speed up the reorganization of state-owned enterprises into companies. In reforming small state-owned enterprises, we should stress their transformation and reorganization. According to their individual conditions, they should be reorganized, associated with other enterprises, merged, contracted out or leased, trusted to others, sold, or should practice the cooperative share-holding system. They should be liberalized. Efforts should be made to speed up the training of a contingent of entrepreneurs who are politically strong and keen on reform and who know technology and are good at business management and operation.

2. Actively developing and improving the market network:

We should develop and improve the commodity market, develop and standardize the market for production factors, establish a market security system, establish a mechanism mainly for forming the prices of commodities and production factors through market forces, give play to the basic role of the market in the distribution of resources, and gradually establish an open, unified, competitive, and orderly socialist market network with a view to establishing a socialist market economic structure. Efforts should be made to further develop and improve the commodity market and to gradually establish an open, multi-functional system for the distribution of commodities and an integrated system for the manage-

ment of major consumer goods such as farm and sideline products.

It is essential to establish a system for the macroeconomic regulation and control of the market and improve the mechanism for regulation of commodity prices. We should improve the situation in which the development of the market for production factors lags behind; we should put stress on the development of the money, labor, and technology markets, vigorously develop intermediary organizations serving the improvement of market order and the expansion of trade, and bring such organizations' service-providing, connecting, notary, and supervisory roles into full play. We should seize opportunities to introduce new ways of circulation and management and promote the establishment of modern circulation organizations. We should improve market laws and regulations, standardize procedures for the circulation of commodities, strengthen quality control, maintain the unification, openness, and fairness of the market, and gradually establish a market network linking urban markets with rural ones and markets in the region with those in other parts of the country and abroad.

3. Rationally regulating the relations of social distribution and accelerating the reform of the social security system:

Rationally regulating the relations of social distribution and establishing and improving the social security system are an important measure to promote reform, development, and stability under the conditions of the socialist market economy. We should adhere to the basic system which takes the principle of "to each according to his work" as its mainstay and facilitates the coexistence of multiple distribution methods, implement the principle of giving priority to efficiency while taking fairness into account, continue to encourage people to become prosperous first through honest labor and legal operation, and solve the problem of an excessively wide gap in the social distribution of income through regulating taxes and other measures. We should improve and strengthen the levying and management of personal income tax. We should use the law, distribution policy, and other means to coordinate the legitimate rights and interests of people in urban and rural areas, in different trades, and belonging to different social groups.

Establishing and improving a social security system with Chinese characteristics is of the utmost importance in guaranteeing the people's livelihood and maintaining social stability. It is necessary to speed up the reform of the endowment, unemployment, and medical insurance systems. According to the requirements for establishing a socialist market economic structure, we should initially establish a multi-level social security system

suited to the level of economic development and linking social insurance, social relief, and special care to disabled servicemen and family members of revolutionary martyrs with social mutual aid and personal savings. At the same time, we should formulate relevant policies to effectively protect the legitimate rights and interests of women, children, the aged, the handicapped, and other special social groups of people so that they can participate in various social activities on an equal footing.

4. Deepening the reform of the investment system:

The reform of the investment system has a bearing on the scale and efficiency of social expanded reproduction. During the Ninth Five-Year Plan period, the focal points of reforming the investment system in the region are as follows: A. we should establish a project fund system. To strengthen the self-restraint mechanism for an investor, the construction of a project is to be started with its own funds in proportion to the total amount of investment in the project. B. The funds under control by the autonomous region will be used mainly for the construction of basic industries, such as agriculture, water conservancy, transportation, telecommunications, energy, and important raw materials, the construction of infrastructure facilities, and the building of scientific and technological, educational, and social undertakings. The government will gradually refrain from building competitive projects, and the funds for such projects are to be raised by enterprises from the market. Those who invest in competitive projects will be allowed to make their own decisions. Investors of some important competitive projects will be selected through public bidding. C. It is necessary to strengthen the mechanism for restricting investment risks and to vigorously implement the legal person's responsibility. From now on, there must be investment by a legal person before the construction of a project can be started. The legal person of an enterprise is to bear responsibility and take risks for planning a project, raising funds for its construction, its actual construction, the operation and management of the project, the repayment of loans, and preserving and increasing the value of the assets. D. We should improve the way investment plans are managed. The stress of such plans should be shifted from listing the annual amount of work to listing the annual amount of investment funds; and the total amount and structure of investment should be regulated and controlled from the beginning of the year. E. We should accelerate the development of a service network for the investment market, establish competitive market mechanisms for engineering consulting, designing, construction, and equipment procurement, implement a public bidding system in an all-round way, vigorously practice an engineering

inspection system, and establish a project auditing system.

5. Speeding up local economic legislation:

We should speed up local economic legislation and enact and improve local laws and regulations meeting the requirements of the socialist market economic structure. We should fully exercise our functions and powers in regional national autonomy and vigorously create conditions for formulating the regulations governing regional national autonomy at an earlier date. We should seek unity of reform, opening up, and the enacting of laws and regulations; we should coordinate reform policy closely with development policy and legislative policy and give priority to economic legislation; we should use laws and regulations to guide, advance, and ensure the healthy development of the socialist market economy. We should continue to improve the system of laws and regulations governing the market, standardize market activities, maintain market order, and strengthen the supervision and management of the market and product quality. We should formulate local laws and regulations concerning the development of basic and pillar industries, the standardization of government activities, and the protection of the environment and natural resources.

VIII. Opening Wider to the Outside World

We should further open wider to the outside world and raise the overall level in this regard. We should further implement the strategy for opening wider "along the border and the Euro-Asia Bridge by introducing investment from abroad, establishing lateral ties at home, cooperating with enterprises in the east, and exporting commodities to the west." We should reform the system of forming economic relations with other countries, standardize our foreign economic activities, increase the scale and efficiency of our foreign trade and our economic and technological cooperation with other countries, quickly connect our economy to the international economy, and make them complement each other.

1. Increasing the scope and yields of opening to the outside world to meet the needs of economic development:

In opening to the outside world, we should make full use of Xinjiang's geographical advantages by opening up along the border and the Euro-Asia Bridge, putting stress on open cities, economic-cooperation border zones, economic and technological development zones, and new- and high-tech industries zones, and bringing their radiating and stimulating role into full play. While implementing the strategy of turning favorable conditions in natural resources into favorable economic con-

ditions, we should readjust and formulate in a timely fashion preferential policies to meet the requirements for opening to the outside world, strive to improve the investment environment, further increase our economic and technological exchanges with other countries, and take an active part in international economic cooperation and competition with surrounding countries. According to the state strategic concept of establishing the economic belt linked by the Euro-Asia Bridge, we should vigorously build an international economic thoroughfare along the bridge, and make great efforts to develop an export-oriented economy in line with market demand. In areas along the border, we should quickly open up key cities in southern Xinjiang and make them new centers for economic cooperation with other countries. We should continue to implement the strategy of "developing border areas through trade and economic relations with other countries" and make particular efforts to expand the region's border trade.

2. Striving to expand foreign trade with the stress on the improvement of efficiency:

We should continue to reform and improve the foreign trade system and gradually establish a mechanism for the operation of foreign trade according to the characteristics of the market economy and international standards. Upholding the market-diversification strategy with product quality as a top concern, we should further develop foreign trade as well as local and border trade, consolidate and develop our markets in Japan, Europe, and the United States, and vigorously open markets in Central, Western, and South Asia in order to diversify our international markets. We should establish the guiding principle for management with the stress on efficiency and uphold the principle of attaching equal importance to earning foreign exchange through export and attaining economic efficiency; we should increase exports to earn more exchange on condition that efficiency can be achieved. We should make full use of our region's favorable conditions in natural resources and strive to increase the variety of exports, to optimize the product mix, and to improve product quality, and to diversify the making of products. We should step up our efforts to develop new exports and particularly to increase the export of manufactured goods and high added-value commodities. We should further encourage the three kinds of partially and wholly foreign funded enterprises and private enterprises to export their products and establish new points of growth in export [chu kou zeng zhang dian 0427 0656 1073 7022 7820].

We should establish the concept of "large-scale trade and economic relations." All industries and departments should make concerted efforts and support one another

to further promote multi-level foreign trade in all directions. They should use market mechanisms to fully arouse the initiative of foreign trade, export, production, and commodity supply departments by taking all their interests into account and build reliable export-producing centers according to local conditions. According to the needs of the region's economic development, we should rationally readjust the import-export structure and ensure that imported materials can meet the needs of economic and social development and those of industrial and agricultural production. We should make every possible effort to run the annual Urumqi trade fair well with a view to hosting an international trade fair. We should make full use of the Urumqi trade fair as a window to promote foreign trade and international economic and technological cooperation. During the Ninth Five-Year Plan period, we should strive to increase the total volume of imports and exports by more than 12 percent per year.

3. Expanding the sale of using foreign funds:

We should step up our efforts to attract businessmen and investment and to continue to attract in various ways direct investment by foreign businessmen. We should further improve local laws and regulations governing investment by foreign businessmen, improve the investment environment, and open more fields for their investment. We should give more guidance on the direction of investment and encourage foreign businessmen to invest more in basic industries and infrastructure facilities. We should also encourage foreign businessmen to participate in various way in key economic construction projects and the technical transformation of existing enterprises. We should protect and supervise foreign-funded enterprises and protect the legitimate rights and interests of investors according to law. We should continue to make it possible for foreign businessmen to run their enterprises well; we should vigorously support technologically advanced enterprises capable of earning foreign exchange through export to expand their economic scale and to raise their economic efficiency.

We should actively and rationally make effective use of loans from abroad. According to the needs of our region's economic development and its ability to repay loans, we should seize the opportunity provided by a special state policy toward the central and western regions to continuously obtain more foreign loans and to raise the efficiency of their use. We should make vigorous efforts to obtain loans from international financial institutions and foreign governments for particular investment in basic industries and infrastructure, such as agriculture, transportation, energy, petrochemical industry, and post and telecommunications service, and for investment in the technical transformation and up-

grading of existing enterprises. We should obtain an appropriate amount of foreign commercial loans for investment in the construction of processing industries by small and medium-sized industrial enterprises and in the construction of projects capable of earning foreign exchange through export. We should make vigorous efforts to obtain loans on favorable terms from abroad to increase our investment in urban construction, environmental protection, culture, education, and public health. We should strengthen the supervision, coordination, and management of foreign loans, further improve relevant organizations, and clearly define the responsibility for the repayment of loans. We should vigorously create conditions for establishing a loan risk fund at an early date to ensure the repayment of foreign loans. During the Ninth Five-Year Plan period, we should strive to use a total of \$2 billion of foreign funds.

4. Strengthening lateral economic ties:

We should open the region wider to other parts of the country by making full use of our favorable conditions in natural resources and our geographical advantages according to the principles of being mutually beneficial, developing the strong points and avoid the weak ones, and achieving common development. We should vigorously develop multi-level, multi-field, and multi-form lateral economic ties and cooperation at home to speed up the growth of the industrial economy and the readjustment of the industrial economic structure. We should adopt various methods for economic cooperation to encourage industries in developed coastal areas to move into our region in an orderly way, strengthen economic ties and cooperation with areas along the Euro-Asia Bridge, make full use of comprehensive favorable conditions in the eastern, central, and western regions, and "make concerted efforts to build a broad thoroughfare through which to reach the West together."

5. Speeding up the construction of ports:

We should continue to give full play to the irreplaceable functions of ports in developing an export-oriented economy. During the Ninth Five-Year Plan period, we should proceed from reality, make overall planning, act according to our ability, highlight the focal points, and build ports step by step to increase our loading and unloading capability. We should strive to improve the total capacity of all ports. Efforts should be made to transform and improve the 15 open ports and to raise their freight-handling capacity. It is necessary to create conditions for opening and building new ports, such as the Yierkesitan Port along the China-Kirghiz border, the Kalasu Port along the China-Tadzhik border, the Kanasi Port along the China-Russia border, and the Tuokemansu Port along the China-Afghanistan border.

By 2000 we will strive to have the freight-handling capacity reach 10.52 million tonnes and the number of entry and exit passengers reach 3.26 million.

IX. Promoting All-round Social Progress

The general requirements for social development are to improve the quality of material and spiritual life for people of various nationalities, to raise the quality of the population and the level of social courtesy, to maintain social stability, and to promote all-round social progress. Different types of social undertakings should establish different operating mechanisms with distinguishing features, which are suited to the socialist market economy. Social undertakings should be supervised mainly by local governments; peoples of various circles should be encouraged or attracted to take part in the development of social undertakings. We should do a good job in achieving coordinated economic and social development.

1. Culture, the press, publishing, radio, film, and television:

Vigorous efforts should be made to develop various cultural undertakings to enrich the cultural life of people of various nationalities. Cultural work should continue to adhere to the orientation of "serving the people and socialism" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." It should "arm the people with scientific theories, guide them with correct publicity, inculcate them with high ideals, and encourage them with fine works of literature and art." We should give full scope to the central theme of our times while advocating diversity in order to promote an all-round thriving of socialist culture and to satisfy the needs of the people in cultural life to the maximum. The press should conscientiously and unswervingly publicize the party's basic line, principles, and policies and properly play its role in exercising supervision by public opinion. Publishing departments should strive to publish fine reading materials. Radio and television should continue to strengthen the construction of their infrastructure and the translation and production of programs for minority nationalities in their own languages, further expand their broadcasting coverage, and improve the contents and quality of their programs. By 2000 the radio is to reach 80 percent of the region's population, television 85 percent. It is necessary to do a good job in protecting cultural relics, strengthen cultural management, and promote a healthy development of the cultural market.

We should strengthen the construction of the cultural corridor along the 10,000-li-long border and do a better job in running libraries, cultural centers, mass art

galleries, science and technology centers, museums, and other places for various scientific and cultural activities.

2. Public health and sports:

In public health, it is necessary to continue to implement the principle of "putting prevention first, relying on scientific and technological advances, mobilizing all sectors of society to take part in public health work, attaching equal importance to traditional Chinese and Western medicine, and serving the people." We should persist in putting the stress of medical and health work on the rural areas and continue to improve the medical service system at various levels. We should consolidate and develop the three-level medical and health care network in the rural areas and strengthen the prevention and treatment of frequently occurring, contagious, endemic, and occupational diseases. It is essential to strengthen education in medical ethics and the style of medical work and to improve medical technology and the quality of medical service. Efforts should be made to accelerate and deepen the reform of the systems for health care management and medical service and to optimize the distribution of medical resources. We should vigorously carry out the reform of the workers' medical insurance system, develop the multiform, cooperative medical and health care system in the rural areas. During the Ninth Five-Year Plan period, we should step up the work of disease prevention and water improvement in the rural areas, improve the conditions for medical and health care at the county level, and achieve the target of everyone being able to enjoy primary health care by 2000.

In sports, we should implement the principle of "promoting physical culture and building up the people's health," actively implement the body-building program for all people, and vigorously carry out mass sports activities. It is necessary to gradually build more sports facilities, to establish networks of socialized mass sports organizations and further strengthen the building of the ranks of professional athletes, make full use of favorable conditions, highlight key projects, and raise the level of competitive sports in a planned way.

3. Rational development and use of land resources:

In economic construction, we should uphold the strategic concept of sustainable development, vigorously promote implementation of "China's agenda in the 21st century," prevent the damage, waste, and excessive use of land resources, and continuously raise the level of intensive use of such resources. We should further strengthen the management of land resources, improve the laws and regulations governing the management of natural resources, reform the system of prices for resources, and promote saving on and comprehensive use

of resources. We should formulate policies on compensations for the development and use of natural resources in order to further implement the measures for compensable use of resources. In making policy decisions regarding the management of natural resources, we should implement the system of assessing the effects of sustainable development [ke chi xu fa zhan ying xiang ping jia zhi du 0668 2170 4958 4099 1455 1758 0745 6097 0116 0455 1653]. We should strengthen and improve the management of planning for land resources.

(1) It is necessary to rationally develop and use water resources and economize on water in an all-round way. Efforts should be made to accelerate the development and use of water resources in Ili, Altay, Aksu, and Bazhou, which are rich in such resources. In those areas, it is also necessary to regulate the use of water resources. Water resources should be used in an effective way in other areas. We should put stress on popularizing water-saving irrigation, raise the water recycling rate in industry, and encourage all people to economize on water to form a water-conscious society. We should strengthen the unified management of river water and make a rational distribution and use of water resources by taking economic, social, and ecological efficiency into account.

(2) It is necessary to effectively protect farmland and to strengthen land management. We should complete the work of designating basic farmland areas for protection across the region, strengthen the management of planning for land use, strictly control nonagricultural construction on farmland, and do a good job in reclaiming wasteland and developing reclaimed land in a planned way. We should strengthen the enforcement of law on land and the supervision of such law enforcement, promote the reform of the land-use system, and further expand the scope of land for compensable use.

(3) It is necessary to protect biological resources and to use them rationally. We should strictly follow the principle of "raising livestock according to grass resources," strengthen the building of grasslands, and prevent overgrazing or overburdening pastures and the deterioration of grasslands. Effective measures should be taken to prevent acts of damaging grasslands and forest resources in violation of the law. We should strictly implement the system for imposing limits on the felling of forests in mountainous areas, vigorously cultivate reserve forest resources, energetically protect forests in river valleys and plain deserts by closing them up, maintain the ecological balance in deserts, and strengthen the protection of wild medicinal plants and rare animals.

(4) It is necessary to step up geological and mineral prospecting and to rationally exploit and use mineral

resources. According to the needs of economic construction, we should stabilize the ranks of key personnel engaged in geological and mineral prospecting and step up developmental and strategic geological prospecting. In prospecting for solid minerals, stress should be put on gold and copper. At the same time, efforts should also be made to prospect for metal and nonmetal minerals with possible good results, to continue to carry out Project 305, and to effectively prospect for coal deposits in southern Xinjiang's coal-deficient areas. We should conduct hydrographic, engineering, environmental, and geological surveys in connection with comprehensive agricultural development, urban and rural construction, the project for disease prevention and water improvement, and the construction of key projects. We should prospect for mineral deposits to promote the exploitation of such deposits and vice versa. We should make geological prospecting and the exploitation of mineral resources promote each other and strive to make important breakthroughs in these regards. During the Ninth Five-Year Plan period, we should strive to newly discover 80 to 100 tonnes of gold deposits, 50 to 80 tonnes of copper deposits, and 50 places of other mineral deposits and to provide 10 places for a detailed survey of mineral deposits and 15 place for exploitation of mineral resources.

Efforts should be made to strengthen the management of exploitation and utilization of mineral resources, to raise the recovery rate and the level of comprehensive use of mineral resources, and to gradually establish a system for the management of mineral resources as assets and a compensable mining system in order to effectively protect such resources. We should promote a rational and coordinated development of township and state-owned mining industries.

Surveying and mapping should be developed. We should strengthen basic surveying and mapping work in order to promptly provide accurate surveys and maps for the development of natural resources, economic construction, and social development.

4. The ecological environment and disaster prevention:

During the Ninth Five-Year Plan period, we should strictly enforce the law on environmental protection, raise people's awareness of the importance of the environment, and bring industrial pollution under effective control. We should see to it that the total discharge of major pollutants in the region by the end of the century will basically remain at the present level. Then, the quality of the environment in the key cities and some other areas will be considerably improved, and the general trend of ecological deterioration will noticeably slow down.

In view of major ecological problems in our region, such as the desertification and secondary salinization of land and the deterioration of grasslands, we should go all out to promote the rational development, utilization, and protection of natural resources and step up the construction of ecological projects. We should carry out large-scale construction of anti-desertification projects, with the stress on the southern and southwestern fringes of the Tarim Basin, the green corridor in the lower reaches of the Tarim River, and the desert areas on the southern and northern fringes of the Zhungeer Basin. We should vigorously develop ecological agriculture and carry out rural energy construction in connection with comprehensive agricultural development, the improvement of medium- and low-yield fields, and the building of bases for production of agricultural commodities. We should strengthen the construction and management of existing natural preservation areas and build one or two more such areas.

We should strengthen the comprehensive prevention and treatment of environmental pollution, and step up the prevention and treatment of industrial pollution, with the stress on Urumqi City and other major economic cities. We should shift the prevention and treatment of industrial pollution from terminal disposal to all-the-way control, from scattered treatment to a combination of scattered and centralized treatment, and from the control of pollution density to the control of both pollution density and the total discharge. Enterprises with serious pollution problems should be required to solved such problems within a time limit. New, extension, and reconstruction projects should adopt as much clean production technology as possible, which consumes less energy and discharges less pollutants; for such projects, it is necessary to make unified planning for construction of supportive facilities for pollution prevention and treatment. Efforts should be made to increase the capacity of centralizing the disposal of pollutants and to turn waste gas, waste water, and industrial residue into resources. By the end of this century, the rate of industrial-smoke disposal in the region should reach 75 percent, the rate of disposal of industrial waste water 70 percent, and the rate of disposal of discarded solid materials 73 percent.

Further efforts should be made to monitor and forecast various natural disasters, to do systematic research on the incubation, happening, development, and harms of such disasters, to work out relevant plans for disaster prevention, to strengthen the construction of projects designed to prevent and combat natural disasters, and to increase our social-relief ability. It is necessary to fully and rationally develop climatic resources [qi hou zi yuan 3049 0230 6327 3293], to strengthen the building of

a weather forecasting network, to raise the forecasting level, and to provide reliable weather-forecast service for industrial and agricultural production and construction. We should conscientiously implement the principle of "putting prevention first and being ever prepared against earthquakes," establish a system for taking precautions against earthquakes in order to minimize such disasters, and strive to achieve the 10-year target in this regard.

X. Accelerating All-Round Development of the Production and Construction Corps' Undertakings

The Production and Construction Corps is an important component of the autonomous region, a special social organization carrying out the historic mission of opening up wasteland for farming and garrisoning the frontiers. The existence and development of the corps are an important condition for achieving economic development, unity among nationalities, social stability, and the consolidation of border defense in Xinjiang. Since the start of reform and opening up, the corps has upheld the party's basic line and carried forward the spirit of self-reliance and hard struggle. As a result, it has promoted the development of productive forces, scored fresh achievements in the modernization drive, and made a new contribution to the stability and development of the region.

During the Ninth Five-Year Plan period, we should continue to give full play to the important role of the Production and Construction Corps in the development and construction of Xinjiang. The corps should speed up its own development as the region does. Its main objectives are as follows: By 2000, its gross product is to reach 10.5 billion yuan to 12.8 billion yuan, six times the 1980 figure, and it should strive to make its gross product 7.2 times the 1980 figure, increasing at an average rate of 11.5 percent to 12 percent per year. On condition that the corps' population will have increased by 150,000 over that in 1980, its per capita GNP will be six times the 1980 figure, and the average annual income for each of its workers and staff members will reach 8,000 yuan. Then, poverty will be basically eliminated, and its workers and staff members will generally attain a relatively comfortable living standard.

The main tasks of economic and social development are as follows:

1. It is necessary to strengthen agriculture as the foundation of the economy and to make full use of the corps' favorable conditions in agricultural science and technology and in education, personnel, and management. The corps should keep to the orientation of "developing a high-yield, top-quality, and high-efficiency agriculture"

and practice intensive farming. By 2000, the corps' total agricultural output value is to reach 7 billion yuan, increasing at an average annual rate of 7 percent over the next five years. the total output of its major agricultural products — grain, cotton, beet, oil-bearing crops, and meat — will reach 1.75 million, 500,000, 2 million, 200,000, and 100,000 tonnes, respectively. Its afforested area will reach 3.5 million mu. The corps should continue to readjust its agricultural structure and bring the advantage of its management and operation as a group into full play. It should make joint efforts with the autonomous region to build grain- and cotton-producing bases. Persisting in building water conservancy projects first, the corps should take an active part in developing and harnessing the region's major rivers and in the construction of large and medium-sized water conservancy projects. It should make joint efforts at construction with localities and benefit together with the latter from such construction. It should expand the capacity of existing reservoirs, make irrigation canals seepage-controlled, popularize water-saving irrigation techniques, and do a good job in developing water and land resources. During the Ninth Five-Year Plan period, the corps should save 2.5 billion cubic meters of water, improve 4.05 million mu of medium- and low-yield fields, and open up wasteland and recover land left uncultivated totaling 3 million mu; it should add 2.4 million mu of farmland and have its total cultivated area reach 15 million mu. It should make vigorous efforts to develop enterprises run by regimental farms and encourage its workers and staff members to develop a garden economy.

2. The Production and Construction Corps should rely on its favorable conditions in natural resources to actively bring about the two fundamental shifts and to reform, improve, and develop its industries. During the Ninth Five-Year Plan period, it should act according to the principle of "making overall planning and rational distribution, acting to its capability, and ensuring the construction of key projects," step up the technical transformation of its enterprises, strengthen its enterprise management, optimize its industrial structure, and raise its economic efficiency. It should step up the transform of its textile, sugar-refining, light, and other industries with a better foundation and see to it that the technical equipment, product quality, and economic efficiency of most of its industrial enterprises will be above the average of similar enterprises in other parts of the country. It should develop a number of famous-brand, top-quality, special, and new products and sell them in domestic and international markets. Through efforts in the coming five years, the corps should particularly develop its industries with favorable conditions and pillar industries. It should choose and support superior enterprises, concentrate its resources to make breakthroughs,

and ensure the construction of key projects, in order to form an appropriate economic scale. By 2000, its total industrial output value is to reach 14.5 billion yuan, increasing at an average annual rate of 14 percent. The output of its major industrial products will be as follows: The output of raw coal is to reach 5 million tonnes, that of electricity 1.9 billion kilowatt-hours, that of chemical fertilizers 520,000 tonnes, that of cement 2.2 million tonnes, that of cotton yarn 1 million reels (jian 0115), that of cloth 160 million meters, that of wool fabric 4 million meters, that of chemical fibers 10,000 tonnes, that of machine-processed sugar 210,000 tonnes, that of machine-made paper and paperboard 80,000 tonnes, and that of alcoholic beverage 110,000 tonnes.

3. The Production and Construction Corps should vigorously develop its tertiary industry. On the basis of maintaining prosperity in commerce and the circulation of commodities, it should vigorously develop tourism as well as information and consulting services and make efforts to develop financial, insurance, and real estate industries and intermediary service.

4. The Production and Construction Corps should persist in promoting economic development by opening to the outside world. The autonomous region's policy of opening to other parts of the country and to the outside world in all directions fully applies to the corps. It should raise the overall level of opening to the outside world and vigorously engage in foreign trade and in economic and technological cooperation with foreign organizations. By 2000 its total volume of foreign trade should reach \$500 million.

5. The emphasis of investment in social undertakings should be laid on regimental farms, regimental livestock farms, reclamation areas, and particularly poverty-stricken regimental farms along the border. Efforts should be made to do a good job in family planning and in the improvement of population quality. The Production and Construction Corps should vigorously develop culture, public health, and sports, open more channels for employment, and pay close attention to solving problems in drinking water, electricity, housing, transportation, education, medical care, culture, sports, and telecommunications. It should make continuous efforts to improve the living conditions and the quality of life for its workers and staff members.

XI. The Building of the Socialist Spiritual Civilization and the Strengthening of Democracy and the Legal System

The main tasks of building the socialist spiritual civilization are to carry out ideological, moral, and cultural construction; to cultivate a new generation of well-educated,

well-disciplined people imbued with lofty ideals and moral values; and to promote a coordinated development of a material and a spiritual civilization in order to provide an effective guarantee for economic construction and social progress. In strengthening socialist democracy and the legal system, we must uphold the people's dictatorship led by the working class and based on the alliance of workers and peasants.

1. The building of socialist spiritual civilization:

During the Ninth Five-Year Plan period, we should pay more attention to the building of spiritual civilization and act according to the principle of carrying out economic construction and making social progress at the same time and attaching equal importance to the building of a material and a spiritual civilization. We should pay attention to research, highlight the focal points, and foster powerful public opinion, values, moral standards, and cultural conditions. Such public opinion, values, moral standards, and cultural conditions will be conducive to reform and opening up and to the healthy development of socialist modernization, help us effectively resist the corrosive influence of decadent capitalist and feudal ideas and separatist disruptive activities, and arouse the tremendous enthusiasm of people of various nationalities in the region for the modernization drive. They will also inspire the spirit of pioneering an enterprise with painstaking efforts and help promote social courtesy, social progress, and political stability.

It is necessary to profoundly study and extensively publicize Marxism-Leninism-Mao Zedong Thought, especially Deng Xiaoping's theory of building socialism with Chinese characteristics; to inherit and carry forward the fine tradition in ideological and political work and uphold the mass line; and to actively explore new ways and new methods to strengthen and improve ideological and political work. We should pay attention to politics, grasp major matters, give full play to the role of the party as the core of leadership in the great cause of building socialism with Chinese characteristics, and continuously strengthen its cohesive force and fighting capability. We should guide people in understanding what socialism is and how we should build socialism, in order to foster common ideals and moral support. We should carry forward the glorious tradition of self-reliance and pioneering an enterprise with painstaking efforts, encourage people to do solid work, promote the spirit of respecting work and exerting oneself to forge ahead, and carry on the spirit of building the country through diligence and thrift, being industrious and thrifty in managing a household, and being thrifty and hardworking in whatever undertaking one is to start on. We should persistently carry out an exten-

sive struggle against corruption, make greater efforts to keep government functionaries honest and industrious, punish corrupt elements, and bring about a turn for the better in social mood by practicing a fine style of party and government work.

It is necessary to conscientiously implement the "Outline of Conduct of Education in Patriotism." We should carry out extensive education in patriotism, collectivism, socialist ideology, and national defense. We should also step up education in social morals, professional ethics, family virtue, and civilized behavior; foster a correct world outlook, a correct outlook on life, and correct values; and properly handle the relationship between the interests of the state, the collective, and the individual. We should carry forward the traditional virtue of the Chinese nation; establish and popularize the fine-courtesy practices of respecting one's work and cherishing one's post, respecting the elderly and loving the young, and respecting teachers and loving students; promote the social morals of finding it a pleasure to help others, being ready to take up the cudgels for a just cause, and being honest and keeping one's word; and develop a new-type interpersonal relationship characterized by equality, mutual respect, harmony, and friendly affection. We should vigorously carry out activities to build civilized families, units, villages, counties, prefectures, and cities; we should carry out activities to build model counties and cities in achieving army-people unity and conduct a "three best and one study" (san you yi xue 0005 0327 0001 1331) emulation drive; we should encourage soldiers, policemen, members of the Production and Construction Corps, and local people to make concerted efforts to build a spiritual civilization; and we should keep developing such activities to a higher level. We should do a good job in cultural construction in communities, villages, towns, and enterprises and on campuses. We should vigorously commend and publicize models and advanced persons of various types and promote healthy tendencies in society. We should do away with outmoded conventions and bad customs, change prevailing habits and customs, and promote a scientific, civilized, and healthy way of life.

Building a socialist spiritual civilization is a long-term common task for the economic front and all other departments. To build a socialist spiritual civilization, we should put stress on the word "build" and effectively strengthen our leadership in this regard. We should support and guide the building of small civilized areas in cities in a planned way. We should build 20 percent to 25 percent of the cities and 15 percent of the counties (prefectures) in the region into civilized cities and civilized counties (prefectures) up to the standards of economic prosperity, political stability, healthy tendencies,

developed education, advanced science and technology, a fine environment, and amenities for people.

2. Strengthening socialist democracy and the legal system:

We should strengthen socialist democracy and the legal system, codify and institutionalize socialist democracy, and guarantee the people's right as masters of the country. We should uphold the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants, keep improving the system of people's congress and the system of multiparty cooperation and political consultation under the leadership of the CPC, and consolidate and develop the broad patriotic united front. We should establish or improve the procedures and systems of making policy decisions in a scientific way and exercising democratic supervision, and raise our work efficiency. We should implement to the letter the party's policies on religion, nationalities, and overseas Chinese affairs and strengthen religious administration according to law. We should adhere to and improve the system of regional national autonomy, step up the united front work, and advance the great cause of reunifying the motherland.

Efforts should be made to strengthen our legislative, judicial, law-enforcement, and law-popularizing work and tackle problems of public order in a comprehensive way in order to maintain long-term social stability. We should set an example in abiding by state laws and regulations, vigorously prevent serious criminal offenses and economic crimes, and sternly crack down on such crimes according to law. We should persist in eliminating various social evils, strengthen the building of the ranks of judicial and law-enforcement personnel, and extensively publicize the legal system and educate people in it in order to enhance their awareness of law and the legal system, especially to raise the level and ability of large numbers of cadres in performing their official duties or exercising supervision according to law. We should resolutely correct the phenomena in

which laws are not strictly observed or enforced, in which lawbreakers are not brought to justice, and in which people abuse their authority.

3. Consolidating and developing the political situation characterized by stability and unity:

Maintaining social stability is a reliable guarantee for our region to smoothly carry out reform, to open to the outside world, to undertake socialist modernization, and to concentrate our resources on the development of the economy. To maintain social stability, we must always implement the party's policy on nationalities and strengthen the unity of nationalities as one of our major tasks; we must educate and arm large numbers of workers and staff members with the Marxist concepts of nationalities and religion and further consolidate and develop the socialist relationship of equality, mutual aid, unity, cooperation, and common prosperity among various nationalities. We must resolutely expose and crack down on the subversive, dividing, and sabotage activities by reactionary forces abroad and ethnic separatists at home as well as all other criminal activities damaging socialist construction and disrupting public order; we must guard the sanctity of the law, safeguard the unification of the motherland, and protect the fundamental interests of the people of various nationalities. We must adhere to the concept of "two things without which it won't work" and strengthen the close relations of "sharing a common fate with hearts linked to one another" among the people of various nationalities. We must strengthen army-people and army-government unity, the unity between localities and the Production and Construction Corps, the unity between state-owned and local enterprises, and the unity between other sectors in order to create a favorable social environment for Xinjiang's all-round economic development. We must lay a solid foundation politically and ideologically for carrying out the Ninth Five-Year Plan in an all-round way.

Taiwan: New Washington-Beijing Antipiracy Deal Welcomed

OW1806092796 (Internet) Taiwan Central News Agency WWW in English 0856 GMT 18 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 18 (CNA) — The ROC [Republic of China] government welcomes an eleventh-hour accord between the United States and Mainland China averting a costly trade war over intellectual property rights protection, an official of the Ministry of Foreign Affairs said Tuesday.

"The settlement of the Washington-Beijing dispute over commercial piracy would benefit not only mainland China and the US but also Taiwan companies with interests on the Chinese mainland," the official noted.

Washington dropped plans for punitive tariffs on US\$2 billion worth of mainland imports Monday after Beijing committed to extensive, detailed steps to end counterfeiting of compact discs, laser discs, CD-ROMs, movies and computer software.

After many rounds of difficult negotiations with the US, the ROC official said, Beijing should have come to understand that if it wants to expand external trade, it must abide by general international trade practice.

"We hope similar disputes won't happen again in the future," the official said.

He also urged Taiwan enterprises to diversify their investment from Mainland China to other countries and not to focus on exporting products manufactured at their mainland plants to the US to avoid being hit by future Washington-Beijing trade disputes.

Meanwhile, the official said Washington and Beijing are not expected to have any major conflicts before the November US presidential election.

With the copyright issues settled, the Clinton administration has decided to strengthen constructive dialogue with Beijing to prevent the China issue from becoming a target of criticism in this election year.

Among others, White House national security adviser Anthony Lake will visit the mainland early next month and Secretary of State Warren Christopher will meet with mainland Foreign Minister Qian Qichen in Jakarta in late July to discuss matters of mutual concern, including Beijing's alleged exports of nuclear arms and missile technology.

"We'll keep a close watch on those high-level Washington-Beijing meetings to ensure that the ROC's national interests are not affected in those talks," the foreign ministry official said.

He further revealed that the US government has given a positive response to new ROC envoy Jason Hu's suggestion that more regular high-level dialogue channels be established between the two sides.

Taiwan: U.S. Said To Keep Taipei Updated on Antimissile System

OW1706133096 (Internet) Taiwan Central News Agency WWW in English 1242 GMT 17 Jun 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — A high-ranking Army official said on Monday [17 June] that the United States, which has already reached a military deal with Taiwan for the sale of a modified Patriot anti-missile system, has agreed to provide Taiwan with updated versions in the future.

In a special report to the Legislative Yuan, Lieutenant General Huo Shou-yeh, the Army chief of staff, said the US is obligated under the contract the Army forged with the US in 1993 to provide Taiwan with updated versions.

Taiwan and Raytheon Co. of the US inked the US\$175 million deal for the sale of the Patriot-based Modified Air Defense System (MADS), or "PAC-2 Plus" for short.

During the question & answer session following the report, Huo gave the thumbs up sign when asked to evaluate the capability of the defense weaponry. "It is still one of only two anti-ballistic missile weapons systems now available in the world," Huo said.

Now that the MADS is equipped with sophisticated phase array radar, its firing system is capable of searching for and intercepting incoming targets without the assistance of satellites, Huo pointed out.

But he was quick to add that with satellite assistance, the reaction time of the defense system to an attack would be faster. The function of the satellite in the Patriot system is to enable users to detect the launch sites and flight paths of fired missiles easier, Huo explained.

Huo was replying to a question raised by New Party Legislator Lin Yu-fang, who asserted that the capability of the Patriot weaponry the military will install will be undermined because Taiwan does not own its own satellite.

Local newspapers said the military is scheduled to deploy the Patriot missiles on three bases — two in Taipei County and one in the Nankang District of Taipei City.

The reports have stirred an uproar among Nankang residents, who claim that debris from the intercepted missiles could fall into the city and cause secondary damage to the Taipei metropolitan area.

Meanwhile, Major-General Kuo Chuan-sheng, chief arms procurement officer of the Army, for the first time confirmed that the locally developed Tien Kung (Sky Bow) missile system had detected the M-9 missiles that the People's Liberation Army fired into waters near Taiwan in its series of war games in March.

The phase array radars of the Tien Kung missile, an anti-aircraft defense system, are capable of seeking out a target as distant as 300 kilometers. This compares with the Patriot anti-missile system's range of 160 kilometers, Kuo noted.

Taiwan: Li Peng Reportedly To Respond to Li Teng-hui Summit Offer

OW1706124496 Hong Kong AFP in English
1209 GMT 17 Jun 96

[FBIS Transcribed Text] Taipei, June 17 (AFP) — Chinese Premier Li Peng is expected to respond in July to Taiwanese President Lee Teng-hui's offer to fly to Beijing and hold a summit meeting with leaders there, a visiting former Chinese official said Monday.

Wong Man-fang [Huang Wenfang], former director of Taiwan affairs at the Hong Kong branch of China's official news agency, XINHUA, said Li is expected to issue a statement on China-Taiwan relations on July 1, the 75th anniversary of the founding of the Chinese Communist Party on July 1.

The statement, he said, will be China's response to Lee's remarks made during his May 20 inauguration for a second term as Taiwan's first democratically elected president. Wong, who arrived here late Sunday for a 10-day visit in his capacity as a consultant of the French-based Lyon Securities Co., told reporters that Taiwan and China should establish long-term, stable and peaceful cooperation for the benefit of the people on both sides.

Taiwan and China separated after the end of a civil war in 1949, but Beijing — which has viewed Taiwan as a renegade province — has warned that if the island declares independence, it will respond with military force.

Beijing staged six war games near Taiwan and suspended high-level, semi-official talks with the island after a controversial trip by Lee Teng-hui to the United States in June 1995, which it interpreted as an attempt to promote Taiwan independence.

Lee moved to ease the tensions during his inauguration by offering to fly to Beijing and talk with leaders there. He also said Taiwan will further improve with China its economic ties and step up efforts to sign a peace accord.

Wong will also meet with Chang King-yuh, chairman of the Mainland Affairs Council, Taiwan's top mainland policy planning body, during his stay.

Meanwhile, 15 local council officials on Monday postponed indefinitely a trip to China after they failed to confirm a meeting with either Chinese President Jiang Zemin or Premier Li Peng, the Taichung City Council said.

The group had planned to depart Monday for China on a five-day visit to Beijing and Nanjing.

Taiwan: Taipei, Belarus 'Likely' To Exchange Representative Offices

OW1706115596 (Internet) Taiwan Central News Agency WWW in English 0934 GMT 17 Jun 96

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — Taiwan and Belarus are likely to exchange representative offices to facilitate bilateral trade and economic cooperation in the near future, local press reports said Monday.

Diplomatic officials, however, would not confirm the reports, saying they are still preparing related data and cannot make any comments on the issue.

Press reports said Taiwan will provide Belarus with a US\$35 million low-interest loan to help boost its economic development.

The reports further said the Taipei trade and economic representative office in the Belarus capital of Minsk will be granted diplomatic immunity and privileges.

The reports said the two countries already reached agreement on exchanging representative offices early this year when Belarus' deputy prime minister visited Taipei. During that visit, the reports said, the Belarus deputy prime minister secretly met with Vice Premier Hsu Li-te to discuss terms for exchanging representative offices.

Taiwan began to contact Belarus shortly after the former Soviet Union member republic became an independent state in 1991. Current ROC Foreign Minister Chang Hsiao-yen headed a mission to visit Belarus in 1992 when Chang was a vice minister of foreign affairs. In 1993, Valery Tsepkalo, an advisor to Belarus President Alexander Lukashenko, visited Taipei.

Vice Foreign Minister Stephen Chen also made a secret visit to Minsk last April to exchange views with Belarus officials on ways to boost bilateral relations.

Chen said in a report to the Legislative Yuan's Foreign Affairs Committee on May 13 that Taipei's relations with Moscow will influence its ties with Belarus, Ukraine and Kazakhstan. The three former Soviet republics have always looked to Russia in charting its diplomatic course and policy.

Taipei already opened a representative office in Moscow in July 1993, but Moscow has many times delayed the inauguration of its planned representative office here.

Diplomatic sources said it remains to be seen whether Belarus is likely to exchange representative office with Taipei and upgrade relations between the two countries before Russia opens an office here.

The sources further said Russia is expected to set a date for the opening of its Taipei office after its mid-June presidential election whose result may be announced soon.

Taiwan: Foreign Ministry Silent on Exchanging Offices With Belarus

OW1706144596 (Internet) Taiwan Central News Agency WWW in English 1415 GMT 17 Jun 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 17 (CNA) — The Ministry of Foreign Affairs on Monday was tightlipped on reports that the Republic of China (ROC) and Belarus, which have no official diplomatic ties, will exchange representative trade offices.

"Before the time is ripe, it is not appropriate for the ministry to comment on the question," Chen Yung-chuo, deputy director of the ministry's Information & Cultural Affairs Department, said at a press conference.

But he emphasized that it is the government's established policy to continue to develop ties with members of the Commonwealth of Independent States (CIS), particularly Russia, Belarus, and the Ukraine.

The widely circulated United Daily News reported in a front-page story on Monday that Taiwan's relations with Belarus are about to make a breakthrough.

The Chinese-language paper claimed that the two countries arrived at an agreement in a secret meeting in Taipei earlier this year. Under the agreement, Taipei and Minsk will swap economic and trade offices, and officials of the two liaison offices will be entitled to diplomatic immunity.

The ROC government, the paper pointed out, will provide Belarus with a US\$35 million soft loan to assist in its economic development plans.

Local political observers said that if the report turns out to be true, it would mark a stride forward in Taipei's bid to promote ties with the CIS.

In June 1992, Taipei and Moscow signed a memorandum of understanding in Paris to lay the groundwork for establishing an economic and cultural coordination committee on each side. Taiwan later opened an economic and trade office in Moscow, but Russia has yet to reciprocate, citing budget restraints as an excuse.

In an interview with the Russian mass media in January, a Russian vice foreign minister said he hopes his country "will open a liaison office in Taiwan this year," adding that Beijing has not opposed the development of non-official ties between Moscow and Taipei.

Unconfirmed reports said Moscow's delay in setting up a Taipei representative office might be the reason behind the slow progress in forging ties with Belarus, the Ukraine, and Kazakhstan because they all model their ties with Taiwan after Taiwan-Russia ties.

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